

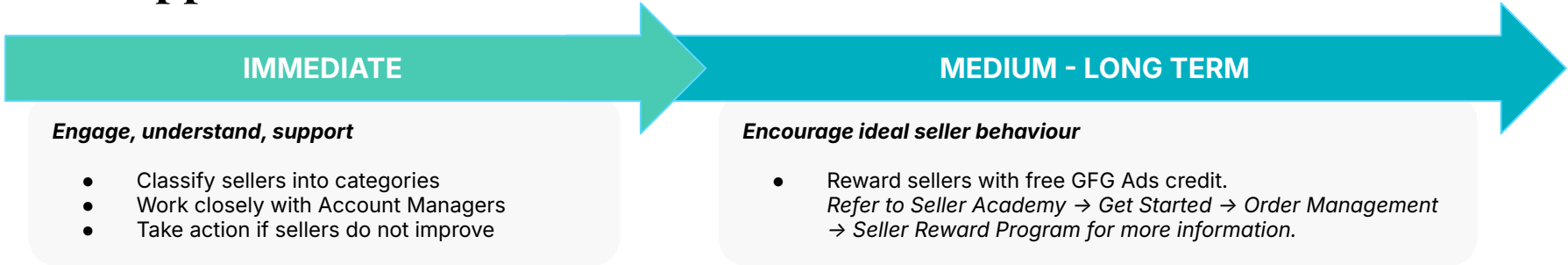


Seller Performance Management

ZALORA

AUGUST 2026

Overall Approach



MP Ops will be monitoring the following *key metrics for our sellers:*

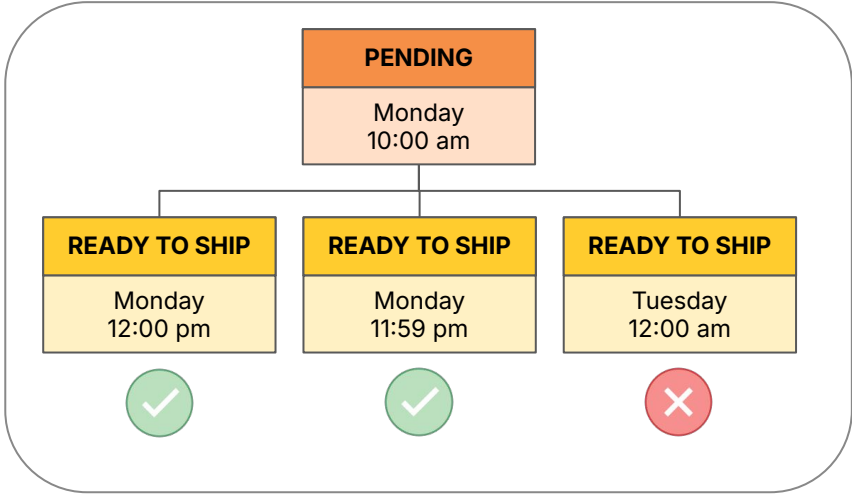
1. SELLER-RELATED CANCELLATION (SRC) Addresses delay in processing orders, delay in handing over parcels to 3PL and stock management.	<5%
2. SELLER-RELATED RETURN (SRR) Addresses order packing quality and accuracy (defective, missing items, wrong items).	<5%
3. SELLER HANDLING TIME (SHT) Addresses delay in processing orders from Pending to Ready To Ship within SLA of 1 business day (with 12pm cutoff)	>90%

KPI Metric Definition

Seller-Related Cancellation (SRC)	Seller-Related Return (SRR)	Seller Handling Time (SHT)
Target - SRC < 5%	Target - SRR < 5%	Target - SHT > 90%
Formula $= \frac{\text{Orders cancelled with seller-related cancellation reason} \star}{\text{Total orders}} \times 100\%$	Formula $= \frac{\text{Items returned with seller-related return reason} \diamond}{\text{Total items}} \times 100\%$	Formula $= \frac{\text{Orders processed from Pending to Ready to Ship within SLA of 1 business day (with 12pm cutoff)}}{\text{Total orders}} \times 100\%$
★ Seller-related cancellation reason • Delayed Processing • Failed Pickup • Out of Stock	◆ Seller-related return reason • Defective Item • Missing Item • Wrong Item Sent	12pm cutoff Orders created before 12:00 PM: Ready to Ship within the same business day. Orders created at or after 12:00 PM: Ready to Ship by next business day. Note: Public holidays and weekends are excluded for the Seller Handling Time (SHT) calculation.

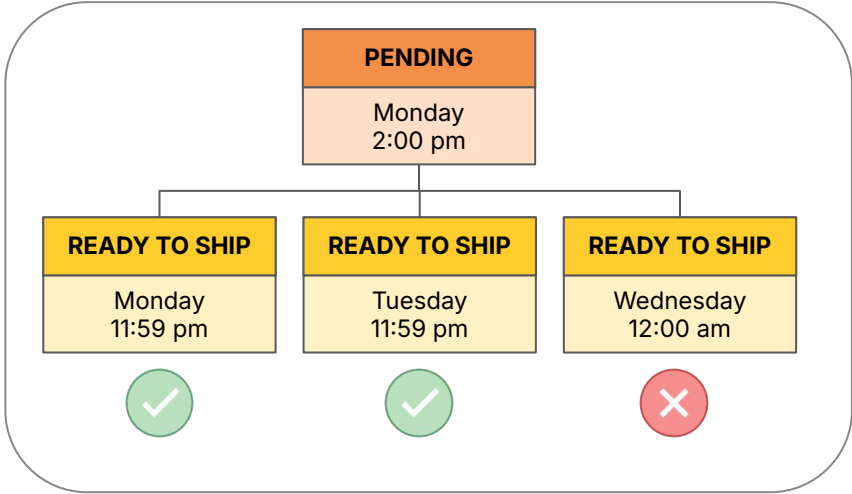
Seller Handling Time Example (I)

Order received **before 12pm**
(00:00 to 11:59 / 12am to 11:59am)



= Order passes the Seller Handling Time (SHT) KPI

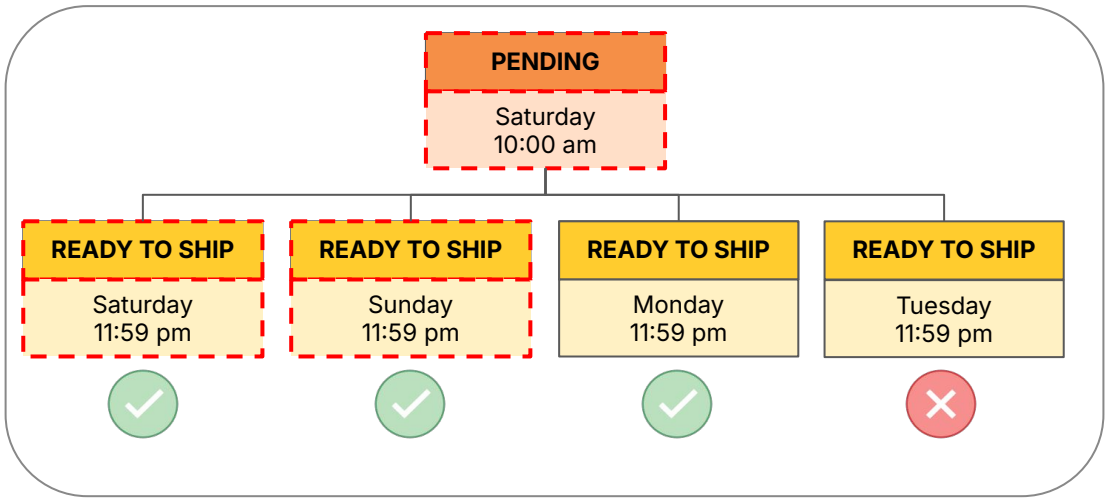
Order received **on or after 12pm**
(12:00 to 23:59 / 12pm to 11:59pm)



= Order fails the Seller Handling Time (SHT) KPI

Seller Handling Time Example (II)

Order received on a public holiday/weekend



= Weekend

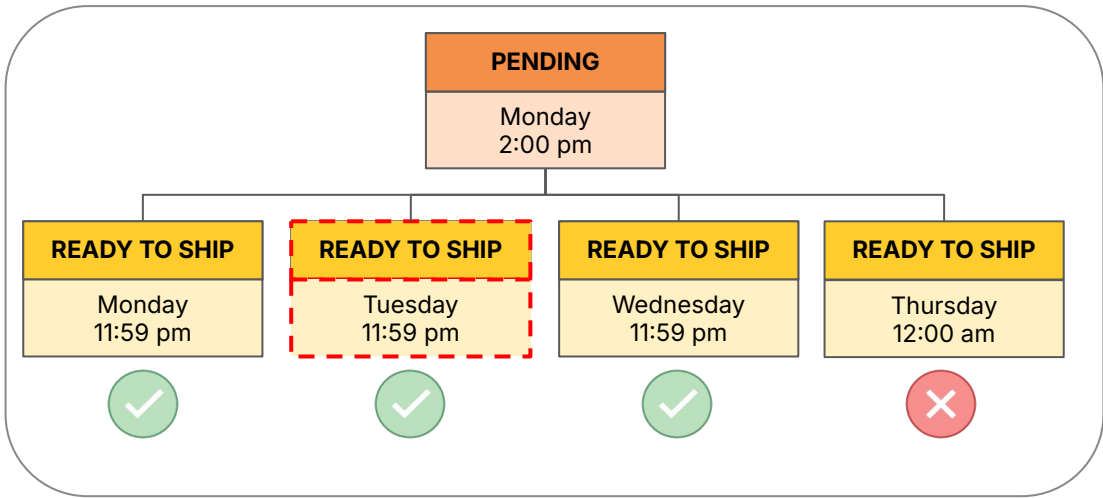
= Order passes the Seller Handling Time (SHT) KPI

= Order fails the Seller Handling Time (SHT) KPI

Note: Public holidays and weekends are excluded for the Seller Handling Time (SHT) calculation.

Seller Handling Time Example (III)

Order received on a working day on or after 12pm and next day is a public holiday/weekend



 = Public holiday

 = Order passes the Seller Handling Time (SHT) KPI

 = Order fails the Seller Handling Time (SHT) KPI

Note: Public holidays and weekends are excluded for the Seller Handling Time (SHT) calculation.

```
graph TD
    MR[MONTHLY REVIEW] --> KPI[At least one KPI not met,  
- SRC ≥ 5%  
- SRR ≥ 5%  
- SHT ≤ 90%]
    KPI --> SRC5[SRC ≥ 5%]
    KPI --> SRC50[SRC ≥ 50%]
    KPI --> SRC100[SRC = 100%]
    SRC5 --> MS[1 Month Suspension]
    SRC50 --> WS[2 Week Suspension]
    SRC100 --> T1[Termination]
    MS --> T1
    WS --> T2[Termination]
    WS --> OL1[50% Order Limit]
    OL1 --> MS
    OL1 --> OL2[50% Order Limit]
    OL2 --> T3[Termination]
```

MONTHLY REVIEW

At least one KPI not met,

- SRC $\geq$ 5%
- SRR $\geq$ 5%
- SHT $\leq$ 90%

SRC $\geq$ 5%

SRC $\geq$ 50%

SRC = 100%

1 Month Suspension

2 Week Suspension

50% Order Limit

Termination

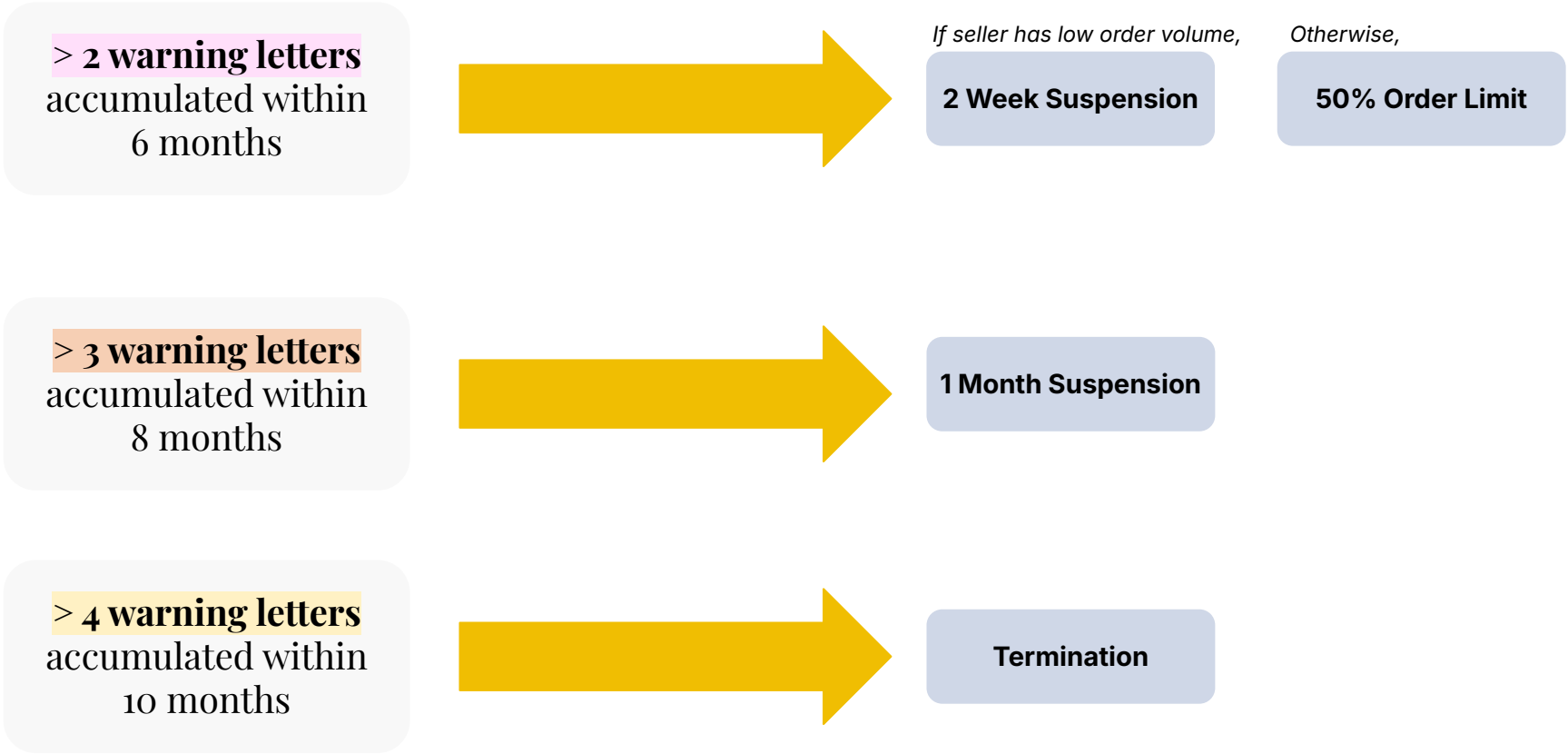
Note:
Seller's listings will not appear on ZALORA website once the daily order limit reached or during suspension period. Seller will still be able to log on to Seller Center to complete processing of pending orders to avoid further additional fees.

If seller has low order volume,

Otherwise,

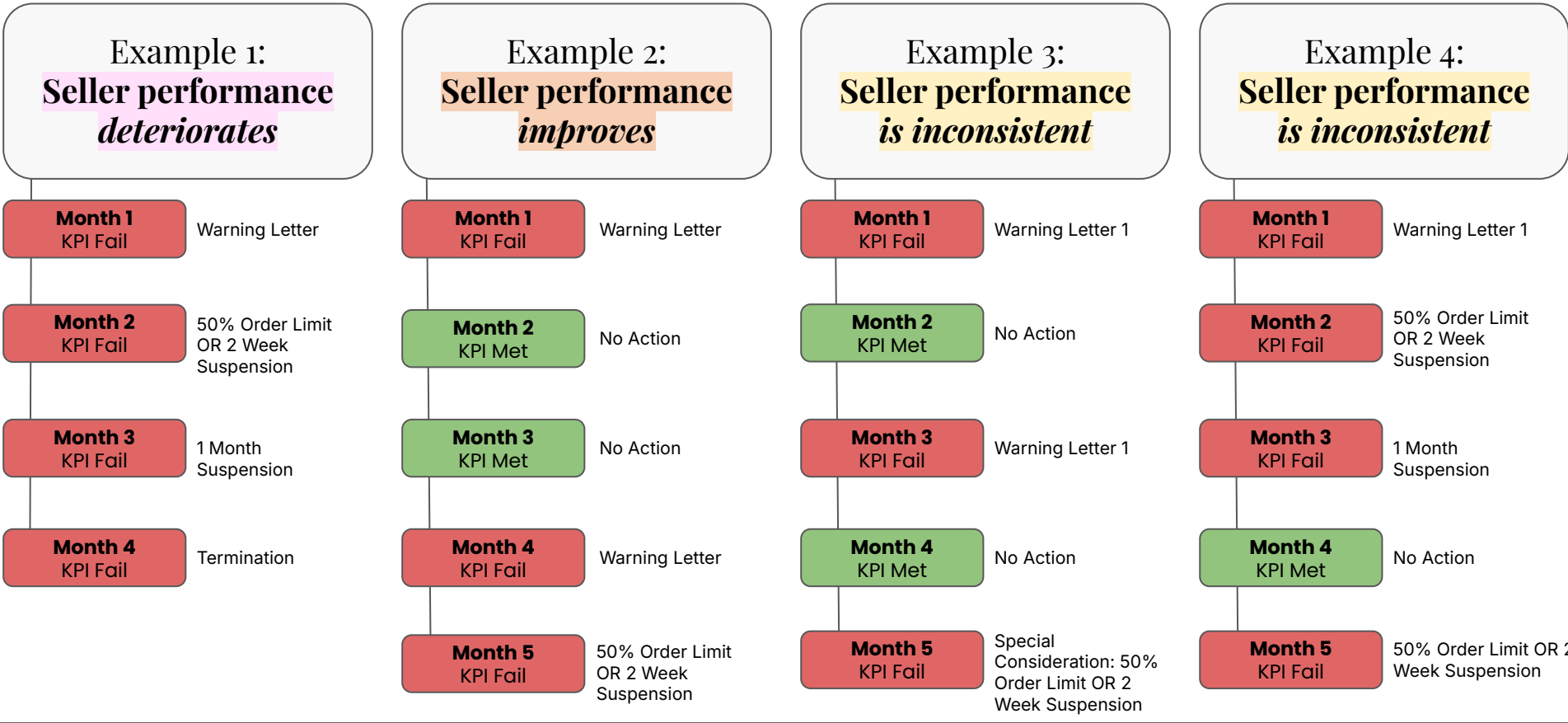
If no improvement observed,

Special Considerations



Scenario Illustration

Note:
Action taken on sellers with inconsistent performance will be one level lower than previous action instead of Warning Letter.



Notes

- A review period is defined as one calendar month, with the 15th as the cut-off date.
- Escalation Actions (EA) are approved by the respective Commercial Category Lead for Account-Managed Sellers and by the MP Ops Manager or MP Ops Head for Longtail Sellers.
- Delisted sellers may request account reactivation via the [Contact Us Form](#). The Seller Help Desk Team will review each request within 5 working days, with the outcome determined by the validity of the KPI breach reasons.
- Both Sellers and the Commercial Team may appeal a decision.
- If an appeal is accepted, the Escalation Action is placed "on hold" for a specified period. If seller performance does not improve, the Escalation Action resumes from where it was last placed "on hold".
- Certain circumstances may require additional action; these will be handled case by case, outside of this framework.
- The formula for 50% daily order limit is as follows,

$$\text{Daily Order Limit} = \text{Order volume for the past 3 months} \times 50\% \div (3 \text{ months} \times 30 \text{ days})$$

Note:

- ❖ Round to a whole number, minimum of 1.
- ❖ If the resulting limit is less than 1 order/day, a 2 Week Suspension is imposed instead.

Seller Rating

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Seller Rating Overview

About the Rating

Seller rating is calculated based on previous month's fulfillment performance.

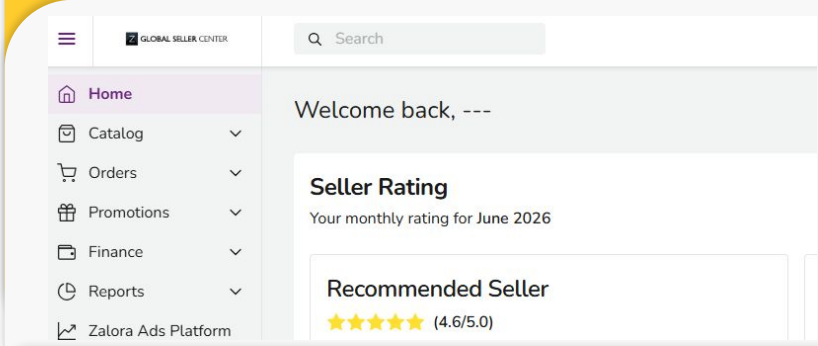
KPIs being measured are:

- Seller-Related Cancelation (SRC)
- Seller-Related Return (SRR)
- Seller Handling Time (SHT)

The rating is updated on the 15th of the every month which will reflects last month's performance
e.g. Seller rating on Apr 15 reflects March's performance.

Where to find it

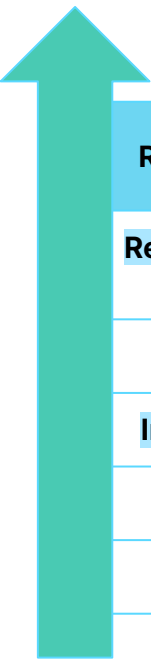
Seller rating is displayed on the 'Home' page in Seller Center.



Click on the seller ranking title to view rating details.
e.g. Recommended Seller, Apprentice

Your Rating Drivers	KPI Value	Period	Score (1-5)	KPI Weight (0-1)	Actual Score	Rating
Seller Handling Time within SLA	100.00%	30 days	5	0.4	2	Very Good
Seller Related Cancellation	15.38%	30 days	1	0.5	0.5	Very Poor
Seller Related Return	0.00%	30 days	5	0.1	0.5	Very Good

Seller Rating Banding



Ranking Title	Ranking Range (Min)	Ranking Range (Max)	Ranking Medal
Recommended Seller	4.50	5.00	
Proficient	4.00	4.49	
Intermediate	3.50	3.99	
Apprentice	3.00	3.49	
Beginner	0.00	2.99	

Seller-Related Cancellation [KPI Weight: 45%]

Rating Name	Min Range	Max Range
Very Good	0.00%	3.99%
Good	4.00%	4.49%
Average	4.50%	4.99%
Poor	5.00%	5.49%
Very Poor	5.50%	100%

Seller-Related Return [KPI Weight: 10%]

Rating Name	Min Range	Max Range
Very Good	0.00%	3.99%
Good	4.00%	4.49%
Average	4.50%	4.99%
Poor	5.00%	5.49%
Very Poor	5.50%	100%

Seller Handling Time [KPI Weight: 45%]

Rating Name	Min Range	Max Range
Very Good	92.01%	100.00%
Good	91.01%	92.00%
Average	90.01%	91.00%
Poor	89.01%	90.00%
Very Poor	0.00%	89.00%

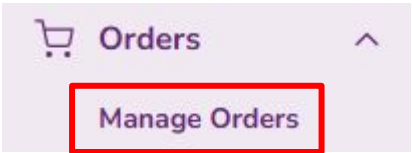
Checking SRC and SRR Orders

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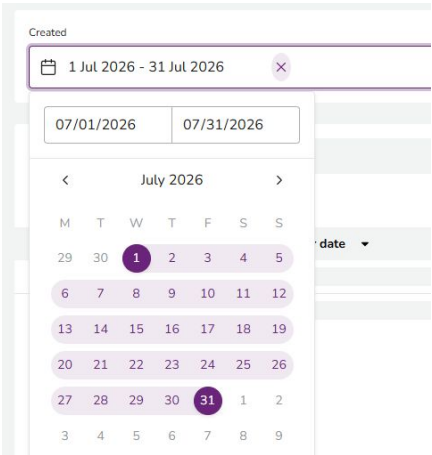


Steps in Seller Center

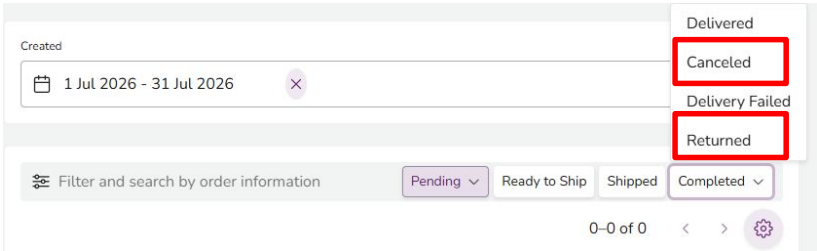
1 Orders > Manage Orders



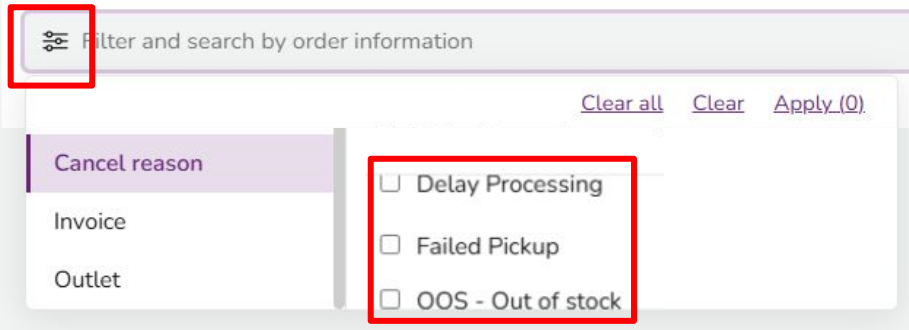
2 Filter Date Range



3 For SRC: Filter Completed > Canceled For SRR: Filter Completed > Returned



4* For SRC: Filter Cancel reason = Delay Processing, Failed Pickup and OOS - Out of stock.

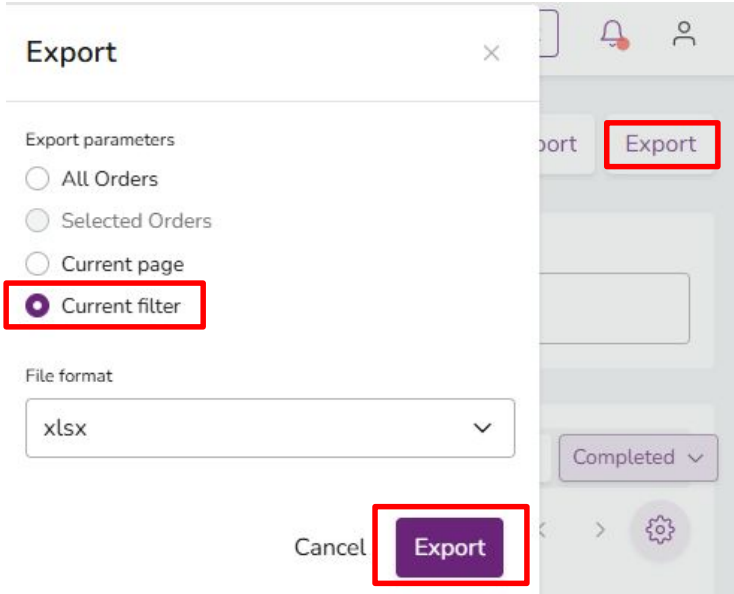


**For SRC, alternatively refer from Step 5 onwards. For SRR, proceed with Step 5 onwards.*

Steps in Export File

5 Export > Current filter > Export

Note: Select your preferred file format.



6

For SRC: Filter Status = canceled
For SRR: Filter Status = returned

7

For SRC: Filter Reason = Delay Processing, Failed Pickup, OOS - Out of stock.
For SRR, filter Reason = 4. defective item, 7. wrong item sent, 11. Missing item - Seller.

SRC

Status	Reason
canceled	Delay Processing
canceled	Failed Pickup
canceled	OOS - Out of stock

SRR

Status	Reason
returned	4. defective item
returned	7. wrong item sent
returned	11. Missing item - Seller

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MP Ops Team

If you have any questions, reach out via the [Contact Us Form](#).

