Netto 🔕 SUPPLIER'S HANDBOOK

Dear Supplier!

Our goal is to ensure the smooth flow of goods throughout the entire supply chain: from the producer/supplier to the store shelf in the Netto retail outlet. Proper understanding of our needs and expectations in this regard should help to avoid unnecessary costs and optimize the entire process.

This publication is a collection of guidelines that will help in the selection of the right packaging and packaging method, in the correct formation of logistics units, in the proper labelling of both trade items (labels on cardboard boxes) and logistics units (logistics labels) and in the preparation of delivery documentation.

Definitions:



Retail item

A single piece, the smallest item subject to retail sale, usually packed collectively in commercial packaging containing several/several dozen pieces.

Trade item

Item that is the subject matter of the order. A collective packaging usually contains a few/several dozen individual retail items (pieces).

Logistics unit

it is created by combining (grouping) goods into a handling unit, mainly using pallets, but also boxes, containers, trolleys and other goods carriers. Such a unit facilitates operations in the supply chain - in the process of storage and transport.

Outer box

An outer cardboard box containing several collective packaging's (trade items).

Logistics label

is a medium of information in the supply chain in which all participants (producer, carrier, distributor, retailer) communicate in a common language. This communication is possible thanks to the application of the standards of the global GS1 system (former name: EAN.UCC).

The logistics label contains coded and visually readable information describing the contents and logistic parameters of each individual logistic unit, e.g. a pallet.

The logistics label GS1 consists of three parts:

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Declared use-by date

The length of the shelf life (in days) declared in the product registration form as minimum upon delivery.

Expectations regarding packaging

From a supply chain perspective, packaging should:

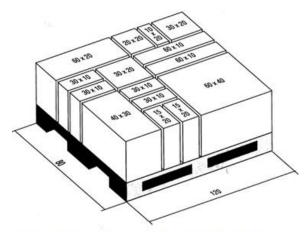
Be adequate in relation to the content - it should be secured and kept together

be sufficiently stable and durable to protect a product from damage

provide modularity in the dimensions of 80 x 120 cm.

weigh no more than 12 kg with its contents,

provide adequate stiffness to reduce the time of picking and enable groupage on composite logistics units.



Wymiary modułowe (ISO 3394=DIN 55510)

have adequate strength to allow any handling in the supply chain, including stacking

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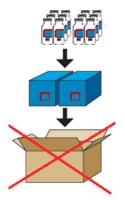
Packaging should not:

have any protruding staples/tacks/nails and sharp edges.

contain excess film, paper, unnecessary cardboard, plastic and other elements.

a trade item cannot be packed in an outer cardboard box.

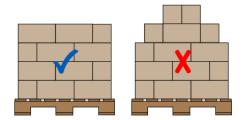
Collective and unit packaging's must have clearly marked use-by dates.



Expectations regarding logistics units

Forming logistics units:

A unit should be homogeneous - it should contain only one product (SKU).



There should be only whole layers of the product on a unit. Each layer should contain the same number of trade items.

A unit should be in the shape of a regular cuboid

A unit should be protected with transparent film, adequately to its weight and height.

Additional binding should be avoided and if necessary the binding tape must be on the film and not under it.

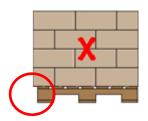
If possible, avoid the use of spacers between layers and edge protectors at the corners

If a unit has several different use-by dates, the goods should be arranged in the order from bottom to top so that the packages with the goods with the shortest shelf life will be at the top of a pallet. Forming separate small units for each date or batch is not correct.

Packaged goods cannot protrude beyond the outline of a pallet.

The maximum net weight of a unit is 850 kg.

The maximum height of a unit is 1.8 m



Forming display stands

A display stand should be placed on a standard carrier <u>http://ecr.pl/projekty/palety/karty-oceny-palet-malych</u> (EPAL, NDHP) or CHEP, LPR

A cardboard box(es) of which a display stand is made should have a base exactly in the size of the carrier (800x600, 600x400)

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Goods in a display stand should be placed so that the centre of gravity is as low as possible (heavy at the bottom, light at the top)

A display stand can only be of a height that ensures the stability of a unit and allows it to be safely moved in the warehouse, transported to and displayed in stores.

Each display stand must be secured separately and treated as an independent logistics unit

In the case of a display stand, it is often (and in the case of the 600x400 format - always) necessary to attach it to the carrier with a binding tape or appropriate stretch film.

The most important rule for designing display stands, packaging for them, their composition and forming: a display stand is to be an independent logistics unit, i.e. it must be possible to transport it around the warehouse, transport it for many kilometers and display it in a store as a single unit.



Marking of logistics units

All logistics units delivered to Netto should be labelled with logistics labels **compliant with the GS1 standard**. According to said standard, there should be two identical labels on each logistics unit (one on the short side and one on the long side). The label must be on the film, not under it.

The logistics label must in all cases contain:

- SSCC Serial Shipping Container Code,
- GTIN of a trade item (an item being the subject matter of the order)
- number of trade items contained in a logistics unit

• expiry date or "Best before" or packaging date or production date - depending on the specificity of goods; however, if a pallet contains products with different use-by dates, a label should show the closest date,

• designation of a series or production batch (if the product is marked with such a designation).

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A logistics unit must be marked with a unique SSCC (Serial Shipping Container Code).	
A trade item should be marked with GTIN-13 or GTIN-14, represented as an EAN-13, ITF-14 or GS1-128 bar code symbol (formerly UCC/EAN-128).	
A retail item (single product, piece) should be marked with GTIN-8 or GTIN-13 or GTIN-14, which will be presented as an EAN-8 or EAN-13 bar code symbol, and in the future also GS1 DataBar	

Expectations regarding the conditions of carriage and delivery

Deliveries of goods may only be carried out with vehicles appropriately adapted to the transported goods (e.g. items requiring controlled temperature may only be transported in a refrigerated lorry).

Unloading is only possible from the rear side of a vehicle. The height of the ramp is 120 cm. Unloading takes place through the loading platform, a few centimeters of free space must be left in the cargo space for its support. The minimum vehicle height is 80 cm, the minimum width is 145 cm, the door of a vehicle should open wide to the parallel position with the sides of a vehicle, so that it is possible to enter the dock seal.

Unloading is the responsibility of the supplier.

The delivery should take place on the day indicated in the order, in accordance with the fixed notification hours for each product group. The current list of notifications can be obtained electronically at supplychainpl@netto.pl.

It is not allowed to use pallet supports for $\frac{1}{2}$ EUR pallets (placing two $\frac{1}{2}$ EUR pallets on an EUR pallet). It is also not allowed to bind or wrap them with stretch film in pairs.

It is not allowed to stack pallets during transport, as well as unload them in the same way.

During the delivery of items requiring refrigeration, a driver is obliged to provide a printout from the thermograph showing the temperature of the cargo space in which goods were transported.

The delivery may not include any defects or damages



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Expectations regarding pallets

Netto accepts EUR (UIC), EPAL, CHEP, LPR, NDHP, CNDHP pallets for deliveries

Pallets should meet the criteria of the Code UIC 435-2, have the features of a correct pallet according to the ECR pallet assessment cards and be free from unacceptable defects.

The use of other carriers is not allowed



Expectations regarding goods

The delivered product must always be of full value, in accordance with an order, of the agreed quality, size and specification. It must also have a shelf life that is greater than or equal to the minimum declared in the registration form.

Delivery Documentation

The delivery should include the delivery specification (delivery note) containing the following information:

- seller's identification data,
- order number,
- date and place of delivery,
- item number assigned by Netto,
- the exact name of the goods,
- NOP number of unit packaging's (retail items) in a collective packaging (trade item)
- number of delivered trade items (collective packaging's),

- in the case of deliveries of vegetables and fruits, also weight, size, variety (depending on specification) and country of origin