

Shipping requirements 2021

erdbär GmbH

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Updated: 07/2021

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1 General

1.1 Purpose of this specification

These shipping instructions are the foundation of the cooperation with erdbär GmbH. Only erdbär GmbH has the right to modify the shipping instructions. To ensure a successful and smooth supply chain, it is necessary to abide by shipping instructions and specifications for logistic processes. These terms of delivery apply to all orders and contracts unless other written arrangements have been made. A supplier's service is only considered performed once goods have been accepted at the agreed erdbär GmbH storage location.

The supplier is obliged to make all service providers it engages aware of this specification and is responsible for its implementation.

If the supplier fails to comply with these shipping instructions, erdbär GmbH reserves the right to charge for all demonstrably incurred additional costs and processing fees (point 4ff). The English version is solely a convenience translation. Only the German version is legally binding. These shipping instructions supersede any previous shipping instructions.

1.2 Communication

During main working hours (Mon-Fri/9-5), erdbär GmbH requires a point of contact at the supplier. This point of contact and their representative(s) must make themselves known to erdbär GmbH immediately upon commencement of the supplier relationship.

Delayed and/or deficient deliveries must be reported immediately. Potential delivery delays must also be communicated as soon as possible. Costs arising from delayed deliveries or deviations to this specification will be charged to the supplier.

1.3 Delivery address and inbound delivery dates

Goods are received at erdbär GmbH's storage location from Monday to Friday, 8am to 4pm. Vehicles arriving outside of these times cannot be unloaded. Exceptions to this must be arranged with erdbär GmbH.

Delivery address:

SLL System Lager Logistik GmbH

Am Schindberg 9-15

D - 65474 Bischofsheim

1.4 Definitions

Begriff	Definition
GLN	Global Location Number
SSCC / NVE	Serial Shipping Container Code
GTIN / EAN	Global Trade Item Number oder European Article Number = unique identifier for packaged units. (pieces, trays, cases).
Packaging	Description oft he container into which goods are packed.
Packaging aids	Materials that provide or increase the stability oft he packaging, e.g. edge protectors, stretch film.
THS processes	Transport-, handling and storage processes.
Shipping unit	Quantity of goods ordered by the customer. A shipping unit does not have a set connection to other quantities of goods and is treated individually as a closed amount in the transport chain from the shipping agent through to the receiver.
Load unit	A handling unit determined by the shipping agent that cannot be broken up during transport.
Tray	Packaging form that contains multiple individual packages (primary packages). Handling unit in distribution processes.
Sandwich pallet	Multiple or single-layer pallets stacked on top of each other. Each Sanwich pallet being separately wrapped and labelled.
BBD	Best before date

2 Creating/building load units for erdbär GmbH

2.1 Tray

The logistic handling unit through to erdbär GmbH's customers is the tray. Order quantities are given to erdbär GmbH's suppliers in the unit "tray". The handling unit tray offer protection from any types of impairments and damage.

2.1.1 General principles of a tray

Basically, the transport packing must fulfill following functions:

- Protection of the goods during the transport and handling against any impairment and damage.
- Transport packaging must open quickly, easily and intuitively without damaging the contents or exposing employees to the risk of injury.
- A good tray allows easy handling at Point of Sale (POS).

The tray has following function:

- Protection from any types of impairments and damage. This includes breakage, loss, soiling, moisture and dust.
- Individual products should not fall out of the transport packaging.
- Transport packaging must withstand the stresses both on the homogeneous delivery pallets as well as on the store pallets during picking when further transport packaging is stacked.

- The goods must fill the transport packaging in such a way that no unnecessary empty space remains.

In addition, the corresponding palletizing must be coordinate with the tray.

2.1.2 Identifying / labelling trays

The correct identification of trays is necessary for regulatory and logistic reasons.

The following information must be provided in plain text on the tray label:

- erdbär GmbH
- Product description with „BIO“ designator
- Item number
- (Number of packaging units in tray) x (weight of a packaging unit in grams)
- Best before date (dd.mm.yyyy)
- Batch number
- DE-ÖKO-037
- Supplier BIO Code
- Version number
- GS1 128 barcode with respective tray EAN (coded and in plain text)

→ The barcode must have a minimum height of 27mm (without plain text)

All barcodes are uniformly valid according to ISO 15416 International Standard.

The following data designator is required on the erdbär GmbH shipping labels:

Application identifier	Description	Length
01	EAN of trade unit	14 digits



Illustration 1 – Example of a tray label

Illustration 1 shows a tray identification label. All required essential information is included. The barcode must be placed horizontally on the label and have a least high of 27mm. The label can be fixed

on the front or long side of the tray. Furthermore, the tray must be aligned on the pallet, that the tray label can be seen and scanned through the winding.

The labels must be affixed to the respective trays. Alternatives such as direct printing on the board must meet print quality requirements as well as conventional printing methods.

Sample labels must be provided to erdbär GmbH before the first supplier delivery, where they will be checked and approved. The first check is digital for the correct structure and for the second check we need the label printed out to check the printed quality. Also, the labels must contain a version number. Any changes must be re-requested and approved by erdbär GmbH. For each change the version number is to be raised.

2.2 Requirement for homogeneous full pallets

The load units are the core component of the THS processes. Only adequate load protection, correct wrapping and proper labelling of a load unit can lead to smooth logistic processes. Every deficiency observed when receiving goods results in the immediate halt of the involved processes.

2.2.1 Pallet properties

In order to guarantee a smooth process within the supply chain, the pallets must have a certain quality. For this reason, it is necessary that the EUR-pallets used correspond to at least class B (recommendation of GS1), so that they can be used on technical systems. If the required pallet quality is not delivered, erdbär GmbH must repack the pallet. This additional work will be charged with 30,00 Euro per pallet (see point 4ff)

2.2.2 Pallet utilisation and Palletisation plan

For efficient transport and processes as well as optimal capacity utilisation along the entire supply chain, the pallet volume of homogeneous full pallets must be used well. If the palletizing is not homogeneous, packing work is necessary in the incoming goods department. This additional work will be charged to the supplier with 25,00 Euro per hour (see point 4ff). Erdbär GmbH also reserves the right to refuse non-homogeneous pallets

The following points must be adhered for the pallet utilisation:

- **Good pallet area utilisation**
The pallet surface area utilisation should be 95% and more
- **Maximum pallet height**
CCG-1 dimension (max. 1.05m) is set as the standard pallet height. If palletizing according to the CCG-1 dimension is not possible, the CCG-2 dimension (max. 1.95m) must be used. To achieve a high level of efficiency, it is advisable to use respective heights (CCG-1, CCG-2) as far as possible.
- **Compliance with the maximum pallet weight of 1,000 kg**

The following points must be adhered for the palletising plan:

- **Even and stable layer structure**

Each layer must have the same number of packaging units. The height of the carton – how it is packed onto the pallet – must be the same for all cartons. The surface of the layer must be even – the packaging units should not be crushed. Filling material is not allowed.

- **Implementation of an interlocked pattern as far as possible**

Packing the pallets in an interlocked pattern will improve pallet stability during transport and picking. (see below)

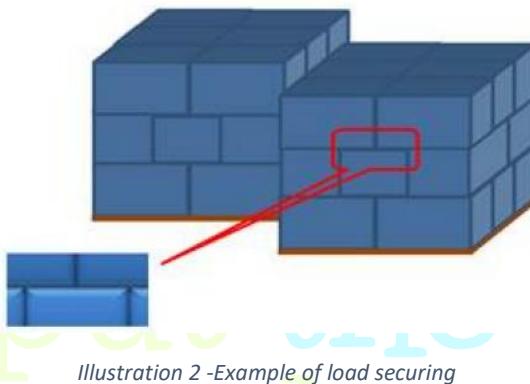


Illustration 2 - Example of load securing

However, it is important that these decisions are evaluated independently on a case-to-case basis, as they depend on different factors (weight, cardboard quality etc.). Decisions about palletisation, pallet height and stackability can only be made in close consultation with and after approval from erdbär GmbH.

2.2.2.1 Creating sandwich pallets

As a rule, the supplier sends erdbär GmbH fully loaded homogenous pallets consisting of one item and one batch. In case of exceptions where this does not apply, the following is to be observed:

- A layer can only contain one batch
- A Euro-pallet must be in place between different batches
- Every batch requires its own SSCC label
- Every pallet is foiled separately
- A batch must consist of articles with only one 'best before' date

2.2.3 Load securing / winding / pallet securing

Adequate securing of load units is indispensable for all supply chain processes. The purpose of load securing is to achieve a sufficiently secured load unit with as little packaging material, which is stable and protects the goods from contamination. This can be achieved by using a bottom layer, using edge protectors and stretching or wrapping the pallet with film.

- **Bottom, top or intermediate layers**

A bottom (floor) layer is necessary for hygienic reasons. They are placed between the pallet and the first layer of goods. Intermediate layers should be avoided. They are not necessary for the handling in the warehouse. Top layers can be used but are not necessary. A close coordination between the supplier and erdbär GmbH is required with regard to intermediate and top layers.

- **Foil winding**

It is important to note that the composite winding may only cover the upper 2 cm of the pallet with foil in order to allow fork clearance for forklifts. (See Illustration 3) Each pallet is to be wrapped separately. Furthermore, the pallet is not to over-foiled, to avoid distortion of the layern pattern and ensure the readability of the tray label. The used foil must not be knotted with the pallet wood.



Illustration 3 - Positive & negative example of foiling

- **Edge protectors**

In addition, solid, stable edge protectors can be used to stabilize the layern pattern. Moreover, the edge protectors must also finish flush and must not protrude (See Illustration 5). The arrangement of the use of edge protectos is up to erdbär GmbH after checking the delivery in our warehouse.



Illustration 4 – Example of load securing



Illustration 5 - Negative Examples for Foiling and Edge Protection

The following points must be adhered for packaging materials:

- **Protective covers, pallet stretch film, and cover sheet must be made from transparent poly-ethylene (PE).**
The films must neither be dyed nor printed (max. 1% printed area for marking is permitted). In addition, no other materials such as anti-slip paper may be used.
- **Bottom, top or intermediate layers**
These are made exclusively of corrugated cardboard that is neither coated, printed on, nor coloured.
- **Edge protectors**
If edge protectors are used, they must be entirely made out of cardboard. They must not be fastened with metal clips or other aids.

It is not permitted to use other materials, in particular high-density fibreboard, plastic boards, Styrofoam, or other filling materials for the load secure. Furthermore, not control sheets or similar documents may be fixed on the loading unit. Insufficient load securing leads to deviations of the shipping requirements. Erdbär GmbH accepts the goods with reservation and reports any errors/deviations directly to the supplier and reserves the right to invoice any additional costs (see point 4ff).

2.2.4 Labelling a load unit

The shipping label described here guarantees correct labelling for load and shipping units for goodfor-growth GmbH. Furthermore, the shipping label enables efficient THS processes along the supply chain. Due to the high degree of automation in logistics, erroneous shipping labels lead to a halt of the corresponding processes and result in additional costs and expenses. The following describes how a shipping label is created. The recommendations of the GS1 organisation form build the basis for this.

Creating a shipping label:

All barcodes are uniformly valid according to ISO 15416 International Standard.

The following structure is used for an erdbär GmbH shipping label:

The shipping label is divided into two levels. The upper part is the human readable level and the lower part is the barcode level. The size of the load unit identification label must be at least DIN A5 (148mm x 210mm).

Obligatory information for the plain text level is:

- 1) Serial Shipping Container Code (SSCC)
- 2) GTIN/EAN
- 3) Quantity of units inside
- 4) Batch/lot number
- 5) Best before date if legally required
- 6) "BIO" designator in the item description

The SSCC number is a unique identifier for the load unit at hand. It is composed out of the following:

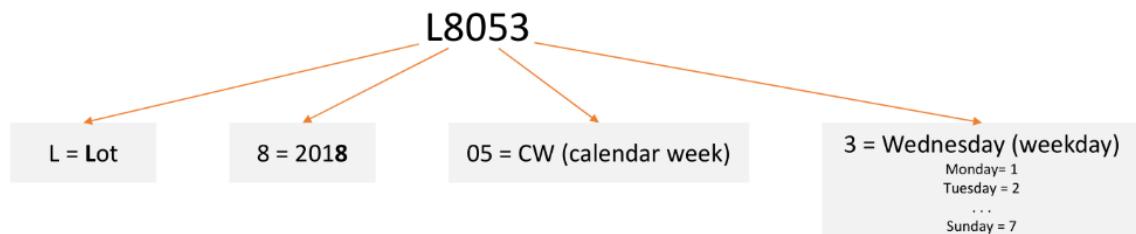
- a.) Data designator
- b.) Reserve digit
- c.) GS1 company prefix
- d.) Serial number allocated by company
- e.) Check digit

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The GTIN or EAN is a unique item number. The GTIN or EAN is allocated to the primary, secondary or tertiary packaging respectively. The unit quantity is identical to the quantity of trays on the pallet. Additionally, the best before date and lot or batch number must be indicated on the plain text level. The batch is built up according the following scheme:

Batchnumber (Lot) = Production date

z.B. Production date 31.01.2018



z.B. Production date 12.12.2017

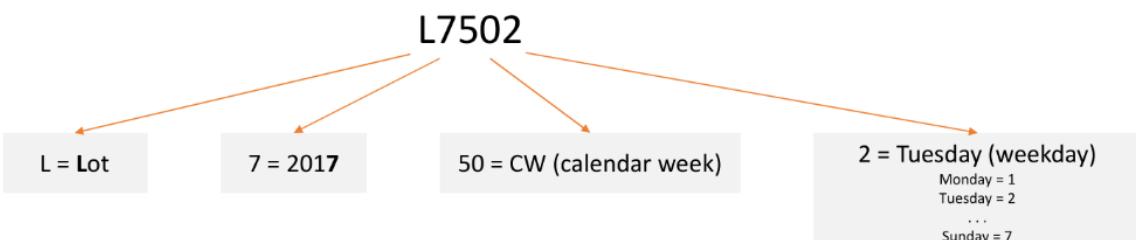


Abbildung 6 – Schema for structure a batch

Furthermore, this batch must be identical on the tray label, the transport label and the product.

On the barcode level on the bottom part of the shipping label, there are two barcodes. These contain all relevant data in coded form and are separated from the respective data designators.

The following data designators are required on erdbär GmbH shipping labels:

Data designator	Description	String length
00	Serial Shipping Container Code	18 digits
02	EAN of the goods in the transport unit	14 digits
10	Batch number	Up to 20 numeric / alphanumeric characters
15	Best before date (dd mm yy)	6 digits
37	Quantity	8 digits
240	Additional product information from manufacturer	Up to 30 alphanumeric characters

The data designators are composed in a way that puts all direct product information in the first barcode. The required nomenclature (dd mm yy) for the date format must be observed for this. The SSCC information can therefore be found on its own in the last barcode on the bottom.

FF Bio Kakaokekse mit Dattelstückchen 125g

Absender:
Erbähr GmbH
Eberswalder Str. 6-9
10437 Berlin

NVE / SSCC
340034670000014174

VE-GTIN 04260618521045	Anzahl VE: 126
---------------------------	-------------------

MHD 20.02.2020	Charge: L1234
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Mind. 31,75mm



(02)04260618521045(15)200220(10)L1234

Mind. 31,75mm



(00)340034670000014174(37)0126

Illustration 7 -Example of a generated SSCC Label

Exceptions are possible if the Z-Module is to small. Then another data identifier must be inserted into the lower barcode in order to correct the barcode and to guarantee the minimum of 495 µm required by ISO 15416.

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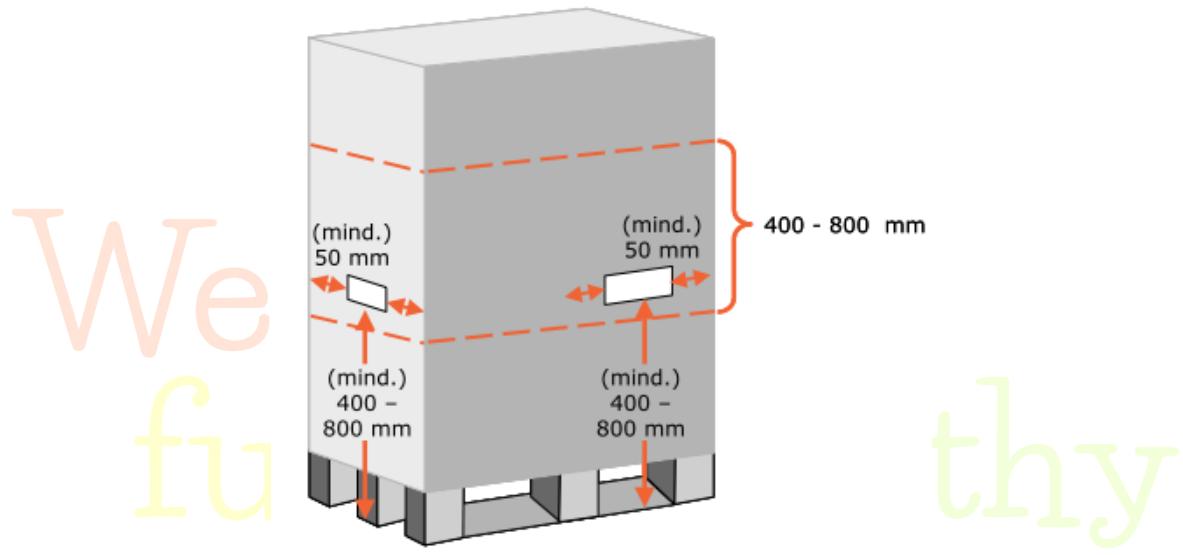
Illustration 7 shows the label for a load unit. All required essential information are included.



Illustration 8 detail requirements dimensions (SSCC) Barcode

Placing a label on a pallet:

The barcode symbol with the shipping unit number is considered the most important element of the shipping label, as it allows automatic linking to the relevant pre-information. The barcode symbols, with their top and bottom outer edges, must be located between 400 and 800mm above the floor. The space between the side edges should be at least 50mm (see Illustration 8). The load unit labelling must at least be attached to one short side of the pallet and the long side to the right of the short side to increase receiving process efficiency (see Illustration 8).



3 delivery

3.1 Delivery documents

To guarantee problem-free operations at the interfaces in the logistics chain, delivery documents must be filled out completely and be undamaged and legible. The following information must be specified in the **delivery note, CMR, invoice, and credit note** documents:

- erdbär GmbH order number
- An individual CMR must be assigned to every delivery
- erdbär GmbH item number
- Tray EAN
- If available: EAN for the shipment's outer packaging
- Batch number
- Production date
- Best before date
- Supplier BIO-Code (also on invoice)
- Quantity [in trays]
- Supplier GLN
- Supplier's own delivery note number

To ease the processing of orders, it is recommended to use uniform quantity descriptions. To this end, the quantity should be given in trays in all documents, including the invoice.

3.2 Pallet exchange

When the supplier sends **DDP**, our service provider exchanges the used Euro-pallets on a reciprocal basis. The supplier is obliged to carry out a quality check of the pallets immediately, as any later complaints cannot be taken into consideration due to their difficult traceability.

In case our service provider experiences shortages in their pallet stock, the supplier is encouraged to proactively set up a loading material account. Exchange and compensation modalities arising from this are to be negotiated directly with the logistics service provider.

When erdbär GmbH picks up goods **EXW**, its appointed courier must exchange the Euro-pallets used on a reciprocal basis. If the courier does not have enough of exchangeable Euro-pallets at hand, a loading material account is to be set up. Exchange and compensation modalities arising from this are to be negotiated directly with the courier.

3.3 Deliveries from non – EU countries

The industrial partner shall ensure compliance with all relevant customs legislation.

As proof of this, the delivery documents must always and unsolicitedly be accompanied by a tax assessment of the customs clearance that has already taken place. In the event of non-compliance with customs regulations, acceptance of the consignment will be refused.

3.4 Dispatch notification and transport

3.4.1 Type of delivery vehicle

The delivery must take place with transport vehicles that have a ramp height of at least 1.20 m and a truck width (inside dimension) of at least 2.40 m. It must be possible to place the ramp on the loading area of the truck. Goods are only unloaded from the rear of trucks. Vehicles that cannot be unloaded at a loading dock will not be unloaded.

Different delivery vehicles or modes of dispatch are not allowed

3.4.2 At suppliers expense

If the supplier assumes liability and costs for shipping, it must also ensure that its courier properly secures goods and delivers them to our service provider's storage location completely and free of damage. The supplier is responsible for arranging the appropriate vehicle. Information about the correct vehicle is given in point 3.4.1.

Claims will be filed for damaged goods and subsequently invoiced to the supplier. In instances of deficient load securing or heavy damage, erdbär GmbH reserves the right to partially or completely refuse the acceptance of goods. Costs arising from this will not be borne by erdbär GmbH.

3.4.2.1 Dispatch notification

As a rule, erdbär GmbH and its storage location must be notified when goods are to be received. The notification needs to be carried out solely on the platform CARGOCLIX. Notification must be made as soon as possible, but at least 2 workdays (mo-fr) in advance.

The following information need to be communicated:

- erdbär GmbH order number
- erdbär GmbH item number
- Delivery note number
- Delivery date
- Delivery time
- End of quarantine
- Quantity in trays
- Quantity of pallets
- Quantity of pallet spaces

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For each truck a booking of a time slot needs to be made. If an order consists of multiple trucks, each one must be booked individually.

For every delivery are fixed times necessary. Erdbär GmbH and the warehouse from erdär GmbH reserve the right to set different times than announced. During the opening hours is a delivery of goods without an agreed time possible, but there should be considerable waiting times. In that case erdbär GmbH do not assume any stand costs.

3.4.3 At erdbär GmbH's expense (EXW)

If erdbär GmbH assumes liability and costs for shipping, the supplier is obliged to notify the former when goods are ready for collection (see Dispatch notification 3.4.2.1).

Goods are only accepted by the courier when they are properly packed and put into the truck securely. Erdbär GmbH assumes liability from this point on.

3.4.3.1 Dispatch notification

As a rule, erdbär GmbH is at least to be informed two days (mo-fr) before picking up the goods and must be submitted to the following e-mail address:

deliveries@erdbaer.de

The following information needs to be communicated:

- erdbär GmbH order number
- erdbär GmbH item number
- Delivery note number
- pick up date and time
- End of quarantine
- Quantity in trays
- Quantity of pallets
- Quantity of pallet spots

Erdbär GmbH is responsible for planning the vehicle. As soon as vehicle has been found, the supplier is informed of the pick-up date and the registration number of the vehicle. This prevents confusion.

4 Non-compliance with or deviations from the terms of delivery

Compliance with the described logistic processes for delivering products from suppliers to goodfor-growth GmbH leads to an error-free and smooth delivery process. This specification also results in optimised storage and handling processes through to erdbär GmbH's customers. Every deviation from these process definitions leads to unplanned logistic expenses and, accordingly, additional costs.

If deviations are observed during goods receiving processes and inspections, erdbär GmbH reserves the right to charge the supplier for all arising additional costs and processing fees.

4.1 Reasons for complaint

Complaints relating to deficient delivery quality create additional expenses for both the customer and supplier. As a result, the customer and supplier equally strive for faultless deliveries without complaint. The various reasons for complaint are defined in the following:

- Incomplete/inconsistent or erroneous delivery documentation
- Erroneous or incorrect notification
- GS1 error/erroneous GS1 shipping label
- Erroneous or missing tray label
- Incorrect shipping label placement
- Deficient pallet quality
- Incorrect or insufficient load securing
- Mixed pallets (non-homogeneous pallets – e.g. mixed goods and/or batches on a single pallet)
- Missing best before date / goods from a single batch with different best before dates
- Delivery of goods that are too soiled (e.g. because of dust), damaged goods (also includes goods that are wound too tightly on the pallet or damaged packaging units), wet goods or goods infested with mould and/or pests
- Pallets with overhanging (goods or packaging materials that extend beyond the pallet base area)
- No uniform packing scheme (e.g. different layers)
- Double palletising (two pallets as load carriers for the goods)
- Delivery with vehicles that cannot be unloaded at a loading ramp (e.g. sprinter)
- Third-party goods placed in front of goods for erdbär
- Missing shipping documents
- Missing tax assessment on customs

If deviations from this specification are observed, the acceptance of goods is refused directly or documented in a non-conformance report and sent to the supplier concerned. The non-conformance report contains a detailed description of the faults present. Additional expenses arising from deviations are invoiced in line with chapter 4.2. If no accounts payable exist, the supplier will make payment by the due date specified on the invoice.

4.2 Complaint costs

Complaint costs are composed of administrative expenses and expenses necessary to resolve the deviation. Additional costs (see illustration 12) are forwarded to the supplier in the form of debit notes per the following list and deducted directly from the invoice amount.

Claim reason	Category damage	Explanation	Claim costs admin-h	Claim costs staff-h	Label costs	Stretch film costs
Label error	High	<ul style="list-style-type: none"> Inaccurate or missing label on tray GS1 error / missing GS1 shipping label Inaccurate placement of shipping label 	35,00 €	25,50 €	0,39 €	0,96 €
Pre-notification error	High	<ul style="list-style-type: none"> Missing or inaccurate pre-notification No delivery in booked time slot 	35,00 €	25,50 €	-	-
Miscellaneous	Medium	<ul style="list-style-type: none"> Incomplete / inconsistent delivery document Pallets that are not homogeneously sorted to SKU and batch Missing BBD / BBD not homogeneous in batch 	35,00 €	25,50 €	0,39 €	0,96 €
Damage	Medium	Delivery of heavily soiled, damaged and wet goods	35,00 €	20,50 €	0,39 €	0,96 €
Delivery / Load securing error	Medium	<ul style="list-style-type: none"> Non-conforming or insufficient load securing Non-conforming wrap of stretch film Insufficient pallet quality Delivery with vehicles that cannot be ramped (e.g. Sprinter) Pallets exceeding the agreed total height (incl. wood) or exceeding 1,000 kg total weight (incl. wood) Pallets with contour errors (goods or packaging materials protruding beyond the pallet base) Double palletisation (two pallets as load carrier for the goods) Foreign goods in front of goods for erdbär Defective bottom, cover or intermediate layers 	35,00 €	20,50 €	0,39 €	0,96 €
Deviation in quantity	Medium	Delivered less/more than ordered/announced	35,00 €	20,50 €	0,39 €	0,96 €
OK	OK	Delivery complies with documents and quality/quantity is not objectionable	-	-	-	-

Illustration 12 – Complaint costs

5 Returns processing

Returns must be collected within 14 days. This period begins when erdbär GmbH first contacts the industry partner/supplier. For returns processing, it is imperative to notify the respective erdbär GmbH Manager of the collection in writing email with a lead time of at least one working day. The supplier gets all needed information from erdbär GmbH to organize the transport and pick up. Erdbär cannot guarantee that the goods will be available for pick-up without advance notification of the return.

6 Severability clause

The validity of this delivery specification remains unaffected if individual conditions become null and void. If this delivery specification contains loopholes, the legally binding regulations the contract parties would have agreed to if they had known of any loopholes, based on the commercial objectives of the contract and the purpose of this delivery specification, are considered as agreed upon in order to compensate for any such loopholes.

Version	Date	Author	Chapter	Modifications
1.0	31.03.2015	Sebastian Schwarz	All	New Publication
2.0	31.01.2017	Kim-Thore Paulsen	All	Complete Revision
3.0	01.12.2017	Elisabeth Gaul	All	Revision
4.0	01.01.2019	Karsten Kandziora	All	Revision
5.0	28.02.2020	Marie-Christien Bohl	All	Complete Revision
6.0	16.08.2021	Martin Alliger	All	Revision

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