

# **SUPPLIER QUALITY REQUIREMENTS**

**FOR THE PROCUREMENT OF RAW  
MATERIALS,  
PACKAGING MATERIAL AND  
COMMERCIAL GOODS**

**FROM**

**ELSDORFER MOLKEREI- UND  
FEINKOST GMBH  
MOLKEREISTRASSE 6  
27404 ELSDORF, GERMANY**

## INTRODUCTION

**Elsdorfer Molkerei und Feinkost GmbH** combines the finest dairy and fine foods products in a single company. The production and the various operations of the dairy and the fine foods are tightly interwoven, allowing us to produce a wide range of products in both areas.

Our quality policy is subject to the motto "The consumer is the focus of our considerations and concepts!"

The objective of our procurement department is to find the most efficient suppliers in the individual material groups and to implement our high quality standards and the demanding requirements of our customers with the help of these partners as part of long-term supply relationships.

Along with economical and service aspects, our supplier selection considers uncompromising quality in accordance with our guiding principles of sustainability. We define sustainability within our sourcing process a resource saving production and supply chain of raw- and packaging-materials complying with acknowledged certifications as well as ecological and economical standards.

For further details please refer to our homepage:

[http://www.elsdorfer.de/files/u4/verhaltenskodex\\_rev.03\\_englisch.pdf](http://www.elsdorfer.de/files/u4/verhaltenskodex_rev.03_englisch.pdf)

<http://www.elsdorfer-nachhaltigkeit.de>

Flexibility and responsiveness are high on the list of requirements for suppliers, in addition to quality.

Raw materials of uncompromising quality are a matter of course for us. Knowledge and consistent implementation of the quality requirements relevant to us is required of our suppliers.

We expect awareness and full compliance with these quality requirements from all our suppliers.

As a guideline for cooperation between Elsdorfer Molkerei und Feinkost GmbH (hereinafter referred to as Elsdorfer) and our suppliers, we have created these quality requirements. These guidelines are applicable even in the beginning stages, and they become/are an integral part of supplier approval.

In particular, the relevant quality aspects in the context of our procurement processes are explained in detail:

- Approval of suppliers, raw materials and packaging
- Goods receipt requirements
- Product quality

## 1. Approval of suppliers, raw materials and packaging

Approval is given by procurement in close cooperation with quality management (QM), research & development (R&D), business development (BD), quality assurance (QA), supply chain management (SCM) and production. The basis for cooperation is a well-established quality management at the supplier, including an HACCP concept and a contingency plan, the functionality of which is ideally demonstrable through a GFSI approved standard. Packaging suppliers must be able to present a hazard and risk analysis.

### 1.1 Approval of suppliers

The basis An integral part of our supplier approval process for approving suppliers is the Supplier Information Questionnaire (see Annex 1). It combines the most important information for an initial general assessment of the supplier. This questionnaire and the Supplier's Master Data Sheet (Annex 2) must be filled out by the supplier before approval and sent to Elsdorfer together with a copy of the supplier's current quality certificates, certification documents, proof of insurance and the signed confirmation of the quality requirements. Requests and confirmation will be provided via the web-based supplier management platform "ECRATUM". The use of ECRATUM is mandatory for our suppliers.

As part of the approval process, Elsdorfer reserves the right to verify the effectiveness of the implemented system on site (supplier audit) and to repeat this at regular intervals as required. In exceptional cases, Elsdorfer reserves the right to have third parties conduct the audit unannounced, if necessary.

If the approval procedure is successful, the supplier is added to the supplier list of Elsdorfer Molkerei und Feinkost GmbH. The supplier must ensure that the documents provided are up to date.

### 1.2 Approval for food raw materials / finished products and packaging materials

The required food raw materials, packaging materials or finished products are enquired about with potential suppliers who can provide the necessary product quality and capacity.

New raw materials and packaging materials must be inspected by the requesting department, possibly tasted and, if necessary, subjected to a production, storage or transport test.

These test samples for the corresponding specialist department can be requested via the procurement department or R&D. These test samples are to be provided by the supplier free of charge. A prerequisite for testing these test samples is that the sample specification, which was verified and approved by the R&D or QS department, and the product data sheet or similar documents are submitted in advance. If the samples require special handling or processing sequences, this must be indicated separately.

### 1.2.1 Test samples for raw materials

Raw material samples are tested through tastings by the sales department with the quality management and/or research & development departments and the raw material specification. Test samples need to be marked properly according to requirements outlined in attachment 3. If the characteristics of the sample meet our currently valid criteria, a large-scale technical test (GTV) will take place as required.

#### 1.2.1.1 Raw materials plant test procedure

If requested by procurement or R&D, the supplier will provide the required quantity for a one GTV or more if needed. The evaluation result is documented by the specialist department and forwarded to the supplier via the procurement department.

### 1.2.2 Packaging material test sample

The samples are checked as part of a one or several GTV, storage test and, if necessary, a transport test. The evaluation result is documented by the specialist department and forwarded to the supplier via the procurement department.

### 1.2.3 Test samples for commercial goods

see 1.2.1 Test samples for raw materials.

### 1.3 Approval of new facilities of the supplier.

The supplier confirms the production sites that are producing for Elsdorfer in the Supplier Information Questionnaire (Annex 1). If the supplier intends to relocate the production for Elsdorfer to another permanent facility, the supplier must immediately notify Elsdorfer of this change. Elsdorfer reserves the right to implement measures to qualify the new production facility.

### 1.4 Approval in case of specification changes

The supplier is obliged to announce each change or deviation from the agreed raw-material- or packaging-specification (compare 3.3.). Elsdorfer reserves the right to refuse changes from agreed specifications or as required to initiate a new approval process. The supplier is obliged to secure supply of the originally agreed specification until the approval process is formally completed.

### 1.5 Approval of new tools (plastic items)

If the supplier is using a new production tool for rigid plastic packaging intended for delivery to Elsdorfer, Elsdorfer must be informed immediately. Elsdorfer reserves the right to implement a new approval procedure (see 1.2.2).

## 2. Goods receipt requirements

Upon delivery, raw materials and packaging as well as their transport vehicle and means of loading or carriers (e.g. pallets, containers) must meet certain criteria. Acceptance of the goods may be refused in case of deviations.

The incoming goods inspection is implemented based on risk and random sampling.

2.1. The supplier ensures the FIFO principle (or the FEFO principle for expiry date items) for all deliveries to Elsdorfer.

#### 2.2. Transport vehicle

Transport vehicles are ramp-capable transport vehicles, i.e. semi-trailers, swap bodies, articulated trains, vans or other vehicles for the accommodation of cargo. Any deviations from this specification must be agreed with Elsdorfer before delivery.

### 2.2.1. Cleanliness/smell:

Transport vehicles are checked for cleanliness, off-smell, temperature, condition and pest infestation. Transport vehicles must be free of off-smells (e.g. fish, meat etc.) that may permeate the packaging and the load carriers of the products. If an off-smell is detected, a check is undertaken to verify whether the smell has permeated the goods. If that is the case, the goods will not be accepted.

### 2.2.2. Temperature:

Temperature-controlled goods require the transport vehicle to have the correct temperature before unloading. With cold-storage transports, the specified temperature must be heeded.

If necessary, the transport temperature must be indicated by the carrier.

## 2.3. Load carrier

Load carriers (e.g. Euro pallets, pool pallets, crates, boxes etc.) must be free from damage, pest infestation (e.g. mildew, rodents) and odours. Multi-trip packaging must be marked as such.

## 2.4. Check before unloading

### 2.4.1. Before unloading:

Every driver has to comply with the applicable health and safety regulations. It must be ensured that the ramp is safely positioned. Transport vehicles provided for unloading must be secured with wheel chocks before unloading. Transport vehicles with a towing vehicle must be secured by applying the handbrake.

### 2.4.2. Cleanliness:

All raw materials and packaging materials must be delivered in clean, undamaged packaging and on undamaged pallets (see 2.5.1). The packaging must be free from dust and dirt. Only clean and sealed packaging will be accepted. Goods that are dirty, wet or damaged will be refused or accepted conditionally.

### 2.4.3. Glass packaging:

Raw materials delivered in glass packaging will not be accepted.

## 2.5. Pallets

Goods must be delivered on Euro pallets (800 x 1200). The use of industrial pallets (1000 x 1200) requires the written approval of the Elsdorfer supply chain management.

### 2.5.1. Pallets quality

The pallets used for Elsdorfer must at a minimum correspond to pallet class B classified according to GS1. The pallets must be stable and free from defects (e.g. defective wood, blocks, protruding nails etc.). Defective load carriers can not be accepted. All delivered pallets are subject to a contour check at goods receipt.

### 2.5.2. Pallet protrusions

Pallet protrusions should be avoided as far as possible. The following maximum overhangs of the load can be accepted in exceptional cases:

The sum of the protrusion (length/width) with Euro/industrial pallets must not exceed 20 mm.

### 2.5.3. Pallet clearance

The clearance for receiving the pallets with industrial trucks must be at least 100 mm.

#### 2.5.4. Pallet loading

Euro pallets must be loaded longitudinally (i.e. with the short side facing forward) in order to ensure optimal unloading of the truck upon delivery.

#### 2.5.5. Maximum pallet height

The height of a Euro or industrial pallet may not exceed the CCG II standard of max. 1.95 m (incl. pallet).

#### 2.5.6. Secure pallet with film

For goods secured with film, the film must not protrude more than 40 mm from the pallets. It must be tightly wound and no loose ends should be left dangling.

#### 2.5.7. Maximum pallet weight

The weight of a pallet (including pallet) may not exceed 1,000 kg.

#### 2.5.8. Palletizing

All delivered pallets must contain non-mixed items. For goods with different batches or an expiry date on the same pallet, the goods must be labelled and kept in separate zones.

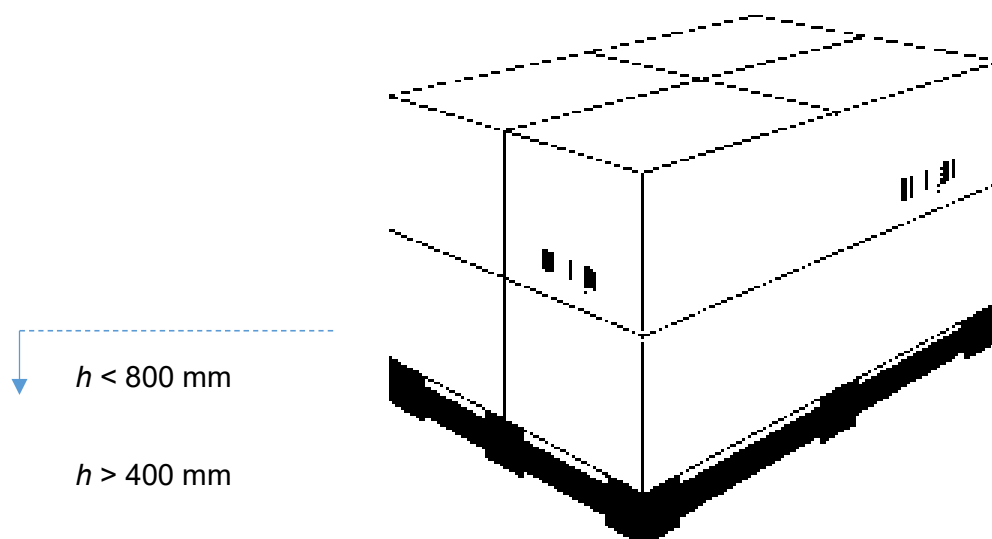
### 2.6. Palette labelling / transport label

All delivered pallets must be marked with **two** GS1-128 transport labels.

The labels must be attached to at least one end face as well as the long side of the shipping unit to the right.

Positioning of the transport labels:

The transport labels should be attached to the film surface to ensure detection at the contour control.



### 2.6.1. Data identifier and label requirements

The GS1-128 transport label of the pallet must always contain at least the following data identifiers (DB):

- a. DB (00) number of the shipping unit
- b. DB (01) GTIN of the trading unit
- c. DB (02) GTIN of the contained units
- d. DB (10) Batch number
- e. DB (15) Best before date
- f. DB (30) Quantity in pieces
- g. DB (3300) Gross weight of the shipping unit
- h. DB (3100) Measure of the quantity variable trading units in net weight
- i. DB (37) Number of units contained
- j. DB (400) Order numbers (if possible)

The GTINs of the transport unit must be communicated before the first delivery.

The use of the above mentioned DB depends on the shipping unit (e.g. container or pallet goods). A label adjustment must be coordinated in advance with the responsible dispatcher in order to continue to ensure a smooth delivery and receipt of goods.

Sample labels for various transport units can be found at the end of this document.

The following points must also be observed:

- Line margins (avoid blurring and fraying)
- Compliance with bar width and the gaps between them (avoiding identification of procurement goods)
- Contrast between bars and gaps (optimal: black bars on white background)
- Each DB is to be identified in clear text by brackets
- Including the DB, a maximum of 48 user data characters may be encoded. Including the auxiliary characters and the symbol check character, the symbol characters on the transport label should not exceed 35.
- Observe the storage environment. Labels must be tear-resistant and insensitive to moisture.
- The transport label must be placed on the transport unit without damage or folds
- Linking of data fields is possible, provided that the listed requirements are maintained. It must be ensured that data fields with variable field length are terminated with a trailing function character/FNC1.

## 2.7. Container goods

### 2.7.1. Tamper-evident closure, seals and signets:

All goods are checked for undamaged and tamper-proof packaging. The seals and signets may not be damaged (e.g. in the case of container deliveries). If the seals or signets are damaged or if it is apparent that the pallets or containers have been tampered with, the goods will be refused.

## 2.8. Delivery documents

At delivery, standards regarding completeness and the information content of the delivery documents apply.

### 2.8.1. Delivery notes

#### 2.8.1.1. Minimum information on delivery notes

- Elsdorfer order number
- Date of order (if possible)
- Elsdorfer item no.
- Item name
- Quantity acc. to Elsdorfer unit of measure
- Batch number per item
- Number of the shipping unit - NVE (SSCC)
- Expiry date
- loading temperature for refrigerated foods < 4°C

#### 2.8.1.2. Certificates

The following certificates must be included with the delivery:

- Cleaning certificates for container goods / tank trucks
- Safety data sheets for dangerous goods (both tank trucks and containers)

#### 2.8.1.3. Serious deviations

Acceptance of the goods may be refused in case of serious deviations in the delivery documents. Serious deviations are:

- The order was not confirmed
- The delivered amount deviates more than 10% from the order quantity
- The delivered amount deviates from the information in the delivery note
- The required certificates are missing (see 2.8.1.2)

## 3. Product quality

A specification must be agreed upon for all raw materials and packaging. Raw materials and packaging are ordered with reference to the respectively valid specification. The supplier confirms that all delivered goods correspond to the components or characteristics guaranteed in the specification, and that they comply with the respectively valid specification.

### 3.1. Traceability

Traceability of the goods from finished product to the delivery of raw materials is ensured pursuant to Regulation EC No. 1830/2003 and/or EC No. 178/2002.



### 3.2. HACCP

The supplier uses a recognised HACCP system and commits to taking all measures and efforts to avoid foreign body risks.

### 3.3. Changes and deviations from the specification

Elsdorfer must be informed immediately of planned changes or deviations from the agreed specifications, and Elsdorfer must approve these in writing and with signature to the supplier.

### 3.4. Product packaging

3.4.1. The supplier must bindingly confirm conformity of the used packaging and/or delivered packaging materials (food commodities) with Regulation (EU) 10/2011 by means of suitable declarations of non-objection.

3.4.2. The materials used must be odourless and tasteless.

3.4.3. The materials used (including printing inks, paints and glues) must correspond to current food and packaging requirements. The currently valid legal values of the total migration or specific migration must be observed. An up-to-date migration test result, if any, must be presented on request. A declaration of conformity is provided to Elsdorfer. Entry of MOSH/MOAH and subsequent transfer to the food item is avoided as far as technically possible.

3.4.4. Substances that are considered to be of concern within the meaning of Regulation (EC) No. 1907/2006 REACH are not present or are below the reportable threshold of 0.1%. The assessment is based on the respectively valid "Candidate List of Substances of Very High Concern (SVHC list)".

3.4.5. The supplier confirms that the packaging is produced under flawless hygienic conditions.

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Place, date

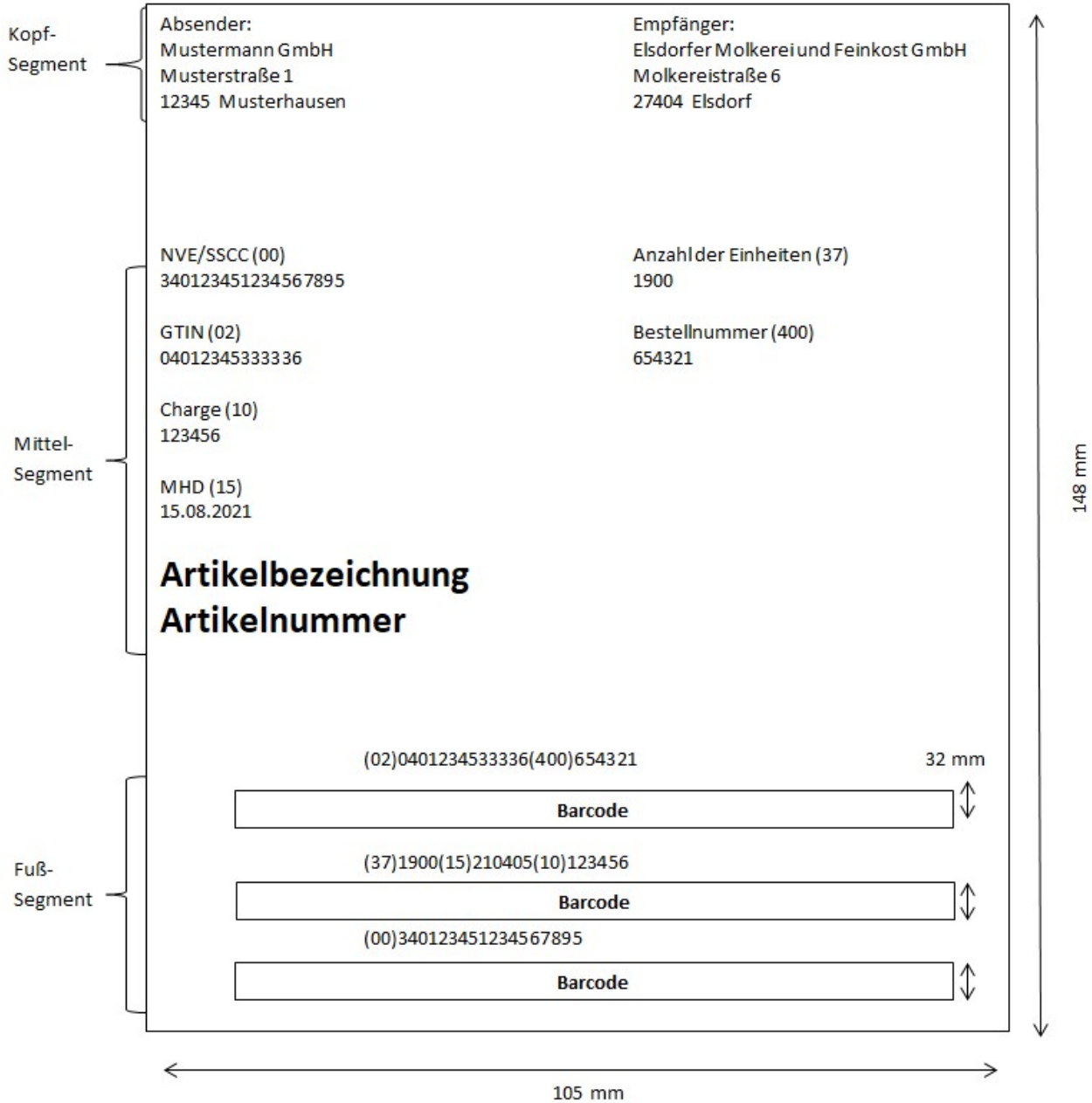
Legally binding signature Supplier

Company stamp

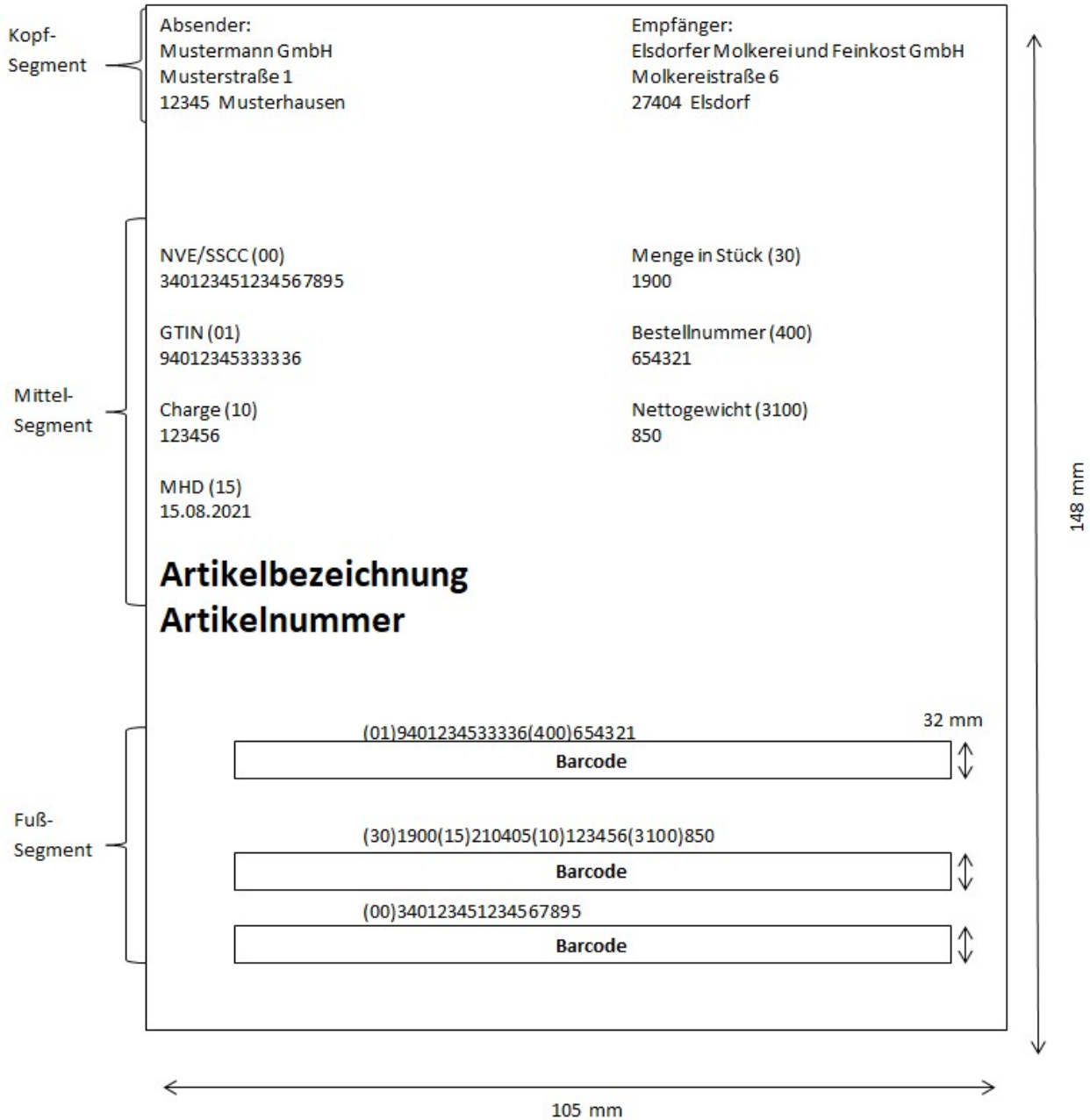
#### Annexes:

- Annex 1: Supplier Information Questionnaire (FB010a)
- Annex 2: Supplier Master Data Sheet (FB039)
- Annex 3: Minimum requirements for labelling of test samples

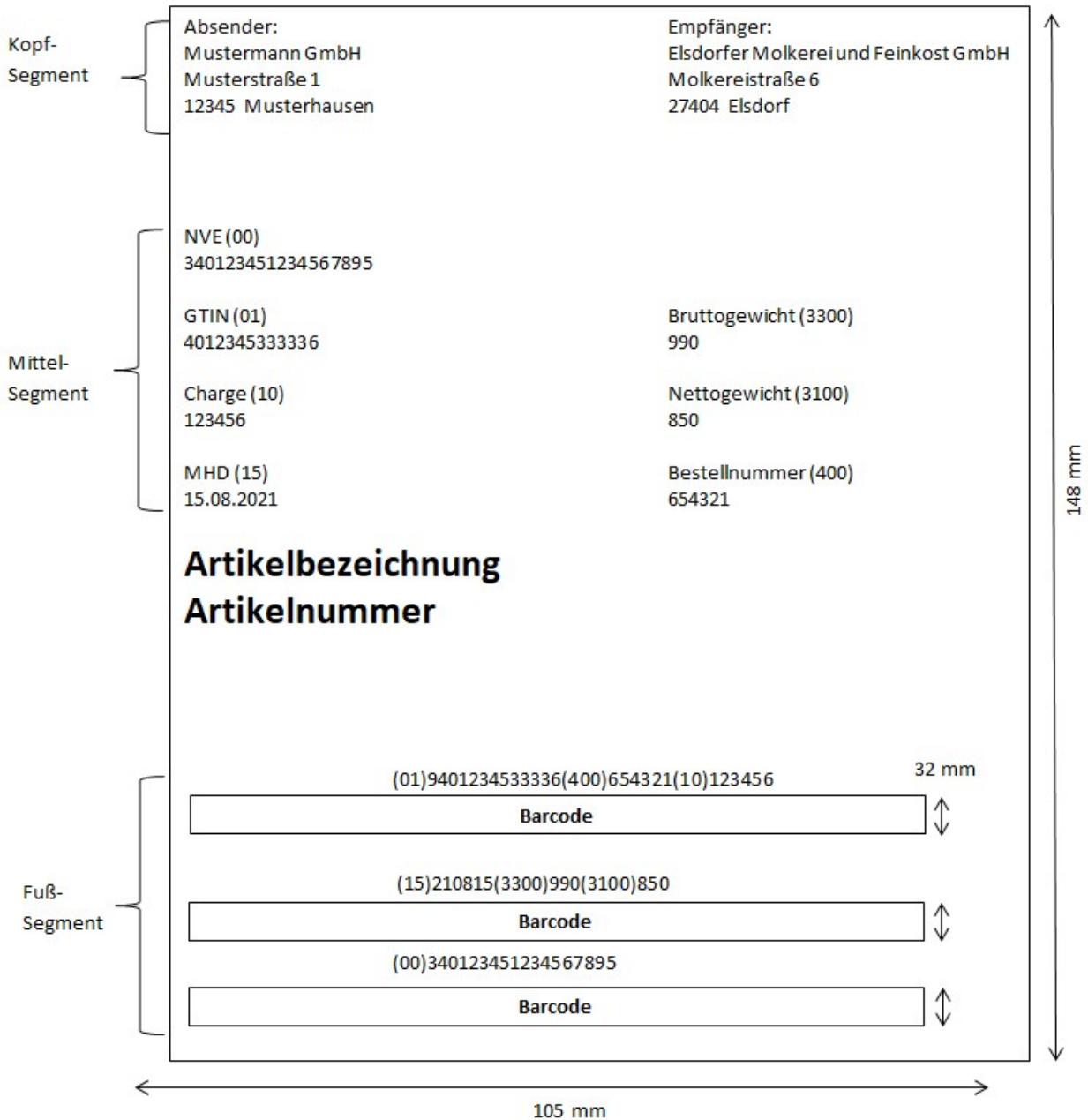
Example transport label basic unit QM, ST, LFM, KG – distribution unit ≠ trading unit



Example transport label basic unit QM, ST, LFM, KG – distribution unit ≠ trading unit



Example transport label basic unit KG (container goods)



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