Logistics Manual

GRAMMER Group

Group Logistics

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1. Foreword

The basis for successful cooperation between you as supplier and the GRAMMER GROUP, hereafter referred to as GRAMMER, is clear communication and open information.

This is particularly true when it involves something as complex as supply logistics for ensuring our production. Efficient assembly is inconceivable without perfectly functioning logistics according to established rules.

In order to make these goals clear for all parties involved and to establish binding rules, we have collected them together for you in these “Logistics Guideline of the GRAMMER GROUP”.

These guidelines are an important component of our contractual relationship and will be supplemented with a logistics specification individually created for specific suppliers and containing further agreements with regard to the supply logistics. We reserve the right to make changes to these guidelines as necessary. Changed versions are valid upon their publication on the Internet.

In the interests of partnership and cooperation, processes are continuously evaluated. If necessary, audits or process analyses are also performed at the supplier in order to identify optimizations and savings potential. GRAMMER reserves the right to make necessary changes to the processes.

Should you have any additional questions, please do not hesitate to discuss them with our team.

1. Information and Communication
	1. Organization

Fixed contact persons and their substitutes capable of making competent and reliable decisions must be named to GRAMMER for the delivery process.

The contact persons you have to give to the GRAMMER plant logistics.

* 1. Information

Inquiries/questions regarding material availability and delivery dates must be answered immediately and bindingly by the supplier.

* 1. Change Notification

Every planned change in the production site or shipping plant must be reported immediately to the Commodity Management, Plant Logistics, Scheduling and Quality Assurance departments of the individual subsidiaries of GRAMMER. GRAMMER has the right to reject the change. If GRAMMER agrees to the change, a joint relocation meeting will take place, coordinated by Commodity Management. In order to perform the relocation, a detailed process and measures plan must be created and approved by GRAMMER. Appropriate time periods must be allowed for preliminary production, auditing of the new production site and initial samples. No additional costs may result for GRAMMER through the relocation.

* 1. Explanation of Terms
		1. Supplier Portal
			1. What is the GRAMMER Supplier Portal?

The GRAMMER Supplier Portal offers GRAMMER and the suppliers the opportunity to quickly and easily exchange information. The GRAMMER Supplier Portal is intended in particular for suppliers who currently do not have typical EDI systems and therefore cannot process the call order data or cannot deliver the required EDI messages (e.g. delivery note – data transmission). In this way, GRAMMER seeks to eliminate IT problems and allow GRAMMER as well as the supplier the opportunity to provide all information in a timely fashion and in an internationally standardized format.

* + - 1. Technical Requirements

To be able to work with the GRAMMER Supplier Portal, the supplier must meet the following requirements:

* current Internet - Browser
* Internet access
* Adobe Acrobat Reader
	+ - 1. Portal User Account and Logon

You require a “Portal User” account and a password to log on to the GRAMMER Supplier Portal. The username is assigned to you by the responsible person in Group Logistics

Mr. Petr Micka (Mail:petr.micka@grammer.com).

Access to the GRAMMER Supplier Portal takes place under the following link:

*https://www.grammer.com/supplier-support/logisitcs/*

* + - 1. Additional Information

Additional information on the GRAMMER Supplier Portal is available upon request at the responsible administrator.

* + 1. EDI
			1. What is EDI?

EDI (Electronic Data Interchange) refers to standardized data formats for electronic exchange of structured business data between business partners. GRAMMER expects its suppliers to fulfil current EDI standards.

* + - 1. Which Message Standards Are Processed at GRAMMER?

GRAMMER is capable of processing all typical EDI formats (VDA, Edifact, Odette, ANSI). However, the VDA formats are preferred for call order transmission and electronic receipt of the delivery note.

* + - 1. Contact Persons

Any questions on the topic of “Supplier Integration” with EDI may be directed at any time to our contact persons for the area Group logistics, Mr. Petr Micka (Mail: petr.micka@grammer.com).

* + - 1. Additional Information

Additional information on the GRAMMER Supplier Portal is available upon request at the responsible administrator.

1. Transport
	1. Transport Processing

Unless otherwise agreed, all offers and contracts on the part of the supplier shall be created and concluded in accordance with the delivery conditions “FCA” and “DAP/DDP” (according to Incoterms 2020).

The supplier may only send his deliveries via carriers approved by GRAMMER based on agreed pickup clauses according to Incoterms 2020 (FCA). The - from GRAMMER - nominated forwarder has to be requested by the supplier at the GRAMMER site before he is planning the first delivery. It is mandatory to use the form GRAMMER nominated forwarder.

If the specified delivery site is not identical to the production plant of the supplier, the supplier is responsible for the organization and transport to the agreed transfer location.

The supplier is only authorized to make partial deliveries of call orders if he has express written permission for this from GRAMMER. In event of failure to adhere to this obligation, the supplier bears all risks relating to price and materials, in particular the resulting additional costs. The logistics costs in connection with the placement into storage return of goods when too many were delivered and unapproved early delivery shall be borne by the supplier. In bottleneck situations, the costs will be borne by the party who caused the situation.

* + 1. Notification and Loading at the Supplier

If the transport is organized and paid for by GRAMMER, the quantities registered with the commissioned carrier must be loaded. “Shipping waste” (=ordered cargo space that is not required on the loading day) can be invoiced by the carrier directly to the supplier.

The notification to the carrier of readiness for pickup takes place no later than according to

the agreements established with the respective carrier.

How the forwarding agent is to be notified must be agreed upon in consultation with the respective factory and the supplier

For FCL, LCL shipments (marine shipping containers, marine container piece goods) or air

freight shipments, the notification instructions specified by GRAMMER and indicated by

the carrier (booking info ocean for shippers / mappings) apply.

For over-deliveries and under-deliveries caused by the supplier that result in additional costs, these may be invoiced directly either by GRAMMER or by the carrier.

In accordance with the requirements and instructions of GRAMMER, the registered quantities must be packaged appropriately for the transport, loaded onto appropriate vehicles and loaded, stored and secured safely for the transport by the loader. The regulations on proper securing of loads must be observed.

The loading shall take place in consideration of quality and safety aspects. The goods must be properly packed and stacked; they must arrive without damage and be easy to remove. The goods must be provided or delivered on time. At this point in time, simultaneous delivery of empty containers must also be possible. GRAMMER and the supplier agree to load and unload the trucks according to the established delivery condition. If long loading and waiting times arise that exceed the individually regulated agreements, the resulting costs shall be born by the party causing the situation.

In event of failure to comply with the defined transfer/waiting times for which the supplier is responsible, the supplier shall organize a special freight on his own initiative and at his own expense and execute it in time to avoid endangering subsequent deadlines or delivery deadlines.

* 1. Special Shipments

Any necessary special shipments must be coordinated between the parties. To avoid unnecessary costs, coordination must take place regarding at least the quantities to be sent. Special shipments that are necessary due to the supplier must also be organized and paid for by the supplier. Special shipments that are necessary due to GRAMMER will also be paid for by GRAMMER. The supplier must in these cases commission a service provider selected by GRAMMER. If this is not possible, the arising costs must be agreed upon and fixed in writing between the supplier and the involved GRAMMER location.

* 1. Accompanying Documents (Freight Documents)

The country-specific minimum requirements for the carrying of shipping documents must be complied with.

GRAMMER requirements within the European region:

* Way bill according to VDA4922
* Electronically transmitted goods issue slip according to VDA4912
* Customs papers (if required)

In addition, transmission of an electronic delivery notification via EDI (EDI = ElectronicData Interchange) according to VDA 4913 is absolutely required. If the supplier does not have EDI capability, the notification must be created by the supplier using the GRAMMER Supplier Portal.

* 1. Temperature-Controlled and Hazardous Goods Transports

The regulations for the transport of temperature-controlled and hazardous goods must be observed. The supplier is liable for all damages resulting from failure to comply with the statutory regulations. As the party placing hazardous goods on the market, the supplier is responsible for the classification, permissible transport type and transport approval.

As loader or shipper, the supplier must observe the applicable regulations for hazardous goods transports. Exclusively type-tested, certified packaging that has been approved by GRAMMER may be used for the transport. Required data sheets, approval decisions, etc. must be provided to the transporter in good time prior to shipment.

1. Customs Processing

Prepayment for export is the responsibility of the supplier. All papers and documents required for cross-border transports (in particular proof of preferential origin) must be provided by the supplier, at his expense, and made available to GRAMMER.

If questions or problems arise in connection with customs, the supplier is obligated, insofar as possible, to clarify these matters with the Customs department at the receiving GRAMMER plant before pickup of the delivery.

We reserve the right to make claims for redress against you for all consequences – particularly in event of tax and customs demands, including any consequences from procedures according to the tax code and other regulations – that arise for us from an incorrectly issued declaration by you.

* 1. Europe
		1. Member States of the European Union

Suppliers from these states are obligated to indicate the VAT ID for deliveries within the EU. Furthermore, the issuing of a long-term supplier declaration according to Regulation (EC) 1207/2001, amended in part by Regulation (EC) 1617/2006, [please clarify whether the change to the regulation is pertinent to us] is mandatory. The request is made separately by the central customs processing department of GRAMMER AG, PO Box 1454, 92204 Amberg.

* + 1. European Countries with Preferential Trade with the EU (Switzerland, Norway, Liechtenstein, Iceland, Croatia, Faroe Islands, Macedonia)

In addition to the documents way bill, delivery note and commercial invoice (original signed and stamped), there is also the option of preferential treatment (EUR.1, declaration of origin on the invoice). For suppliers outside the EU, the basis for the issuing of a proof of preferential origin is a long-term supplier declaration or a proof of preferential origin (EUR.1, declaration of origin on the invoice).

* + 1. European Countries without Preferential Trade

For deliveries in all other European countries, additional documents may be required: Chamber of industry and commerce certificate of origin, Form A certificate of origin

* + 1. Turkey

For ECSC goods (European Community for Coal and Steel), the customer requires a EUR.1 in Turkey, which must be issued by the supplier.

For goods with the Community code of Section 8302, under which shock absorbers fall at GRAMMER, a chamber of industry and commerce certificate of origin is required for import into Turkey. This must be done to achieve intensified control of products imported from China.

The movement certificate ATR (certifies that the goods originate from free circulation in the export country at the time of export) or the EUR.1 for the specified products must be created together with the delivery note and the invoice.

Sending of these documents in advance by email simplifies the relevant preparations for importing the goods for the business partner in Turkey. It is also important that this ATR also exists for shipments from the Turkish business partner to Germany in order to import the goods free of customs.

* 1. GRAMMER Locations Outside of Europe

Regulations for deliveries in countries with GRAMMER locations outside of Europe (in addition to commercial invoice [original signed and stamped], packing list and way bill):

**USA**

NAFTA certificate of origin (for deliveries from Mexico or Canada), certificate of origin, customs guarantee

**Mexico**

EUR.1, certificate of origin, NAFTA certificate of origin (for deliveries from the USA or Canada), verification for wood packaging (phytosanitary certificate)

**Argentina**

Certificate of origin, Taxpayer Registration Code Number (CUIT), import customs declaration, verification for wood packaging (phytosanitary certificate)

**Brazil**

Signed (with blue ink) original commercial invoice, certificate of origin, import license

**China**

Import license, if required, CCC certification for products requiring certification

**Japan**

Certificate of origin

**India**

Import declaration, certificate or origin

* 1. Complaint Processing

The complaint processing (customs) for returned goods is the responsibility of the supplier, who performs this in coordination with GRAMMER. Transport costs for goods subject to complaint must be covered by the supplier.

1. Packaging
	1. Principles

The supplier must ensure that his goods are packaged so that they can be introduced into the production processes of the customer in the agreed quality and with the correct labeling. Packaging must be planned from economic and environmental perspectives. The goal is to make use of reusable packaging and to reduce the share of single-use packaging to a minimum.

* The labeling of exterior containers, small load carriers and pallets must take place

according to VDA4902.

For mixed packaging, a master label must be used. For deliveries to the USA / Mexico, a B10 label (according to AIAG standard) must be used. In other countries, the current local standards must be applied. However, the agreements recorded in the packaging data sheet take precedence.

* On individual packaging, container types, number of articles, etc., see item 4.2 and packaging data sheet item 4.9.
* Loading equipment may not have any projections.
* In the delivery of reusable packaging, the delivered number of containers per container type
* must be listed on the delivery note / way bill / optionally the loading equipment supplemental sheet.

However, GRAMMER AG reserves the right to make changes to packaging.

GRAMMER refers in particular to the fact that the content of these guidelines does not relieve the executing person/office of liability for damages, such as through faulty packaging or insufficient corrosion protection. In event of failure to comply with the applicable packaging regulations, the resulting costs will be charged to the supplier.

* + 1. Index of Abbreviations

|  |  |
| --- | --- |
| SLC  | Small load carrier  |
| LC  | Load carrier  |
| SUC – M (S; T)  | Single-use container – medium (short; tall)  |
| HGC  | Heavy goods container  |
| I4 Box/Pal  | 4 individual cardboard boxes on pallet  |
| BW cutting  | Bubble wrap – cutting  |
| BW bag  | Bubble wrap – bag  |
| PE bag  | Polyethylene bag |
| PP adhesive strip  | Polypropylene adhesive strip  |
| JAC LABEL  | Labels (self-adhesive labels)  |
| CC  | Corrugated cardboard  |
| MF container  | Multifunction container  |
| PMan/LogMan  | Packaging manual / logistics manual  |
| GB  | Grey board  |
| EPP  | Extruded polypropylene  |
| ABS  | Acrylonitrile butyl styrene  |
| SU  | Shipping unit  |
| EURO-PAL  | Pool flat pallet of wood acc. to UIC 435-2  |

* + 1. Explanation of Terms

Various packaging management terms are used in the following sections. The definitions listed below are intended to improve understanding of these terms.

* **Transport container / packing container / load carrier**

Transport containers / packing containers / load carriers are vessels (e.g. containers,

crates, boxes) made of various materials (e.g. metal, plastic, wood, cardboard) in which

parts are transported, stored and protected against damage.

* **Universal**: Universal transport / packing containers can be used for all delivery parts, with the exception of delivery parts with special geometry.
* **Special**: Transport / packing containers specially created for the specific geometry of a delivery part.
* **Packing aid**

Packing aids are the accessories that serve for sealing of the transport / packing container

As well as for protection of the packed goods (e.g. stretch film, rust protection paper,

straps).

* **Packaging**Packaging is the combination of transport / packing containers and packing aids.
* **Package unit / Shipping unit (SU)**A package unit or an SU is the totality of all transport / packing containers and packing aids that can be viewed as a single unit upon delivery. Examples of package units / SUs are combinations of:
* Pallets (EURO-PAL.), containers (SLC), lids (SLC lids) and mould inserts / workpiece carriers

or

* Pallet cage, workpiece carrier and packing aids

**Example picture of a packing unit / shipping unit (SU) • Single-use packaging**



EURO-Pallet (1x)

KLT-6280 (12x)

KLT-LID (1x)

* **Single-use packaging**

Single use packaging is packaging that is intended only for a single use, i.e. it is not

reused. After use, it is sent to recycling. Unless otherwise agreed, the supplier bears the disposal costs.

* **Reusable packaging**

Reusable packaging is packaging that can be used multiple times. After use, it is returned and remains within the packaging cycle.

* **Load**

A load refers to the totality of all packing units / shipping units (SUs).

* 1. Containers/Packaging in Europe
		1. Standards/Universal

|  |  |
| --- | --- |
| **Pool flats pallets of wood acc. to UIC 435-2**Dimensions: 1200 x 800 x 144 mm: Weight : 25 kgIdentification features: Codes “DB”, “EUR” |  |
| **Pool pallet cages of steel acc. to UIC 435-3** Inside dimensions: 1200 x 800 x 780 mmOutside dimensions: 1240 x 835 x 970 mmWeight: 85 kgIdentification features: Codes “DB”, “EUR”  |  |
| **Small load carrier SLC 6428, color blue** Nominal dimensions: 600 x 400 x 280 mmInside dimensions: 532 x 346 x 231 mmOutside dimensions: 594 x 396 x 280 mmWeight: 4.4 kg  |  |
| **Small load carrier H-SLC 6280, signal blue RAL 5005, with bottom holes** Nominal dimensions: 600 x 400 x 280 mmInside dimensions: 541 x 360 x 261 mmOutside dimensions: 594 x 396 x 280 mmWeight: 2.5 kg  |  |
| **KTP 114777**Inside dimensions: 1170 x 770 x 755 mmOutside dimensions: 1230 x 830 x 945 mm Total weight: 36 kg Pallet weight: 17 kgLid weight: 8.5 kg Max. useful load: 250 kg Stacking factor : 1 + 4 Return empty: 1 : 4.5  |  |
| **KTP 114888** Inside dimensions: 1140 x 945 x 815 mm Outside dimensions: 1200 x 1000 x 990 mm Total weight: 39 kg Pallet weight: 18.5 kg Lid weight: 9 kg Max. useful load: 250 kg Stacking factor : 1 + 5 Return empty: 1 : 4.5  |  |

* + 1. Examples of GRAMMER Special Packaging
* Deep-drawn compartments
* EPP containers
* Frame compartments
* Steel transport frame

|  |  |  |
| --- | --- | --- |
|  |  |  |

|  |  |
| --- | --- |
|  |  |

* 1. Containers/Packaging Overseas

|  |  |
| --- | --- |
| **HKP ring 4731019**Dimensions: 1220 x 810 x 490 mm In inches: 47.5 x 31.5 x 19” Material: 8 mm polypropylene Color: Blue with white GRAMMER Use: Queretaro, Lear, GRAMMER, Fehrer |  |
| **HKP ring 4731040**Dimension 1210 x 800 x 1070mmIn inches 47 x 31 x 41.5”Material 8mm polypropyleneColor blueUse Fehrer, McKenchnie |  |
| **Small load carrier SLC 241514** Dimensions: 620 x 390 x 360 mm In inches: 24 x 15 x 14” Material: Polyethylene Color: Gray Use: Tetla, Seeber  |  |
| **Small load carrier with lid SLC 2415147** Dimensions: 620 x 390 x 380 mm In inches: 24 x 15 x 14.7” Material: Polyethylene Color: Gray Use: Tetla  |  |
| **Plastic Pallet/Lid 3248007** Dimensions: 820 x 1220 x 180 mm In inches: 32 x 48 x 7” Material: Polypropylene Color: Gray or black with blue stripesUse: Reusable  |  |

* + 1. Containers/Packaging China

|  |  |
| --- | --- |
| **Small load carrier SLC, color gray** Outside dimensions: 600 x 400 x 280 mm Inside dimensions: 754 x 554 x 265 mm Material: Polypropylene  |  |
| **HKP container, color blue** Outside dimensions: 600 x 400 x 320 mm Inside dimensions: 754 x 554 x 286 mm Material: Polypropylene  |  |
| **Steel container for FAW/VW, color blue** Dimensions: 1380 x 1120 x 760 mm Material: Steel  |  |
| **Plastic pallet, color blue**Dimension 1200 x 800 x 150mmMaterial Polypropylene |  |

* + 1. Containers / Packaging for Shipping by Ship / Aircraft

**Marine shipping:**

For shipping by ship, 20“ and 40“ containers are generally used, which are extremely resistant to weather and physical forces. The dimensions of the marine containers also differ from the European standard dimensions. For this reason, special attention must be paid to corresponding packaging quality in the packaging selection and the dimensions of the shipping unit must be optimally adapted to the container inside dimensions.

**Air transport:**

Example overseas packaging single-use:Overseas cardboard box glued impervious to water, inside dimensions 1120 x 770 x 920mmWood pallet acc. to IPPC and ISPM 15 standard, dimensions 1140 x 760 x 135 mm4 straps!Inside lining with side folding sack !



If desired, GRAMMER will name to the customers the procurement sources for standard overseas packaging.

For some countries (e.g. China, Mexico, USA, Turkey), special regulations apply for the importing of wood packaging (IPPC standards according to ISPM 15). For shipments to these locations, only specially treated wood may therefore be used. The statutory regulations of the recipient country must always be obeyed by the supplier. Wood packaging such as packing crates, boxes, bins, drums, pallets, etc. are only permitted if they satisfy the following conditions (list not necessarily complete):

* Free of bark
* Heat treatment, gassing with methyl bromide
* Presentation of an official phytosanitary certificate that was issued as proof of the treatment.
* A marking on the packaging with indications on the “treatment method”, “treatment location”,
* “code for treating company”
* A declaration for non-wood packaging
* For wood packaging that does not satisfy the above regulations, the costs for repacking and/or treatment will be invoiced to the supplier.
* Current information on IPPC standards according to ISPM 15 is available in the Internet at **www.bba.bund.de.**
	1. Packaging Development / Definition

The development and definition of the interior and exterior packaging is performed by the supplier in coordination with GRAMMER logistics planning / plant logistics with regard to quality, technical and logistics requirements. The parts must be packaged sorted by type,

i.e. one part number per defined transport container. Any deviations from this must be defined between the supplier and GRAMMER (set formation, packing in sets, etc.).

To satisfy the specified requirement, it is necessary to define the packaging for every product. The definition takes place between the supplier and GRAMMER and is recorded in the packaging data sheet. Starting on the basis of the product geometry and requirements, other aspects are also taken into consideration here, in particular logistical and quality aspects and aspects related to the material flow.

The GRAMMER logistics department in the plant is the contact for container technology and its definition. After presentation of a sample or successful performance of a packaging test by the supplier, the decision on the final packaging is made jointly by the quality planning department of GRAMMER and the supplier. This is set down in writing in a packaging data sheet (see appendix). For provisioning of the goods in transport containers, it must be considered that the container is delivered with the defined container filling level (as per packaging data sheet) and in original condition. The circulation inventory of the packaging must be defined at the start of the supply relationship between the logistics departments of GRAMMER and the supplier. The need calculation per supplier is performed based on reference numbers and takes into account planning figures specified by GRAMMER, the delivery frequency as well as the required circulation days.

* 1. Container Procurement

Procurement of the load carriers shall be defined by GRAMMER and regulated in the logistics specifications.

* 1. Surplus Packaging

If projects or scopes of delivery come to an end, the supplier is obligated to report surplus packaging that is owned by GRAMMER to the competent empty container and packaging planning departments of the respective GRAMMER plant in writing. GRAMMER has the right to take possession of any packaging for this scope of delivery at no cost.

* 1. Scrapping and Information on Inventory

For inventory reasons, packaging only be scrapped/destroyed after written approval by the competent empty container and packaging planning department of GRAMMER. This rule applies independent of the ownership relationship or possession of the packaging.

* + 1. Returnable Packaging

The load carriers owned by GRAMMER are only made available for the GRAMMER supplier cycle. In-house needs at the supplier are not taken into consideration here!

* + 1. Returnable Packaging Handling

Reprocurement, repair and cleaning costs for damaged and/or soiled containers and packaging material, insofar as the packaging is owned by GRAMMER, will be invoiced to the supplier based on whoever caused the situation.

* + 1. Account Management and Reconciling

The supplier is obligated to maintain continuous container accounts for reusable packaging during the delivery period. For seamless inventory management, packaging data must always be listed on the delivery note as a separate item. On specified dates, the inventory data will be sent to the supplier for reconciling the accounts. If no objection is raised within 10 business days after receipt of this information, the inventories reported by GRAMMER shall be considered accepted. Upon request, the supplier must report his account status immediately at any time.

* + - 1. Returnable Packaging Processing with SAP-Managed GRAMMER Plants

The returnable packaging account management for all exchangeable packaging can be performed via the SAP returnable packaging management. The account statements are available to the supplier on a specified date in the GRAMMER Supplier Portal. The supplier is obligated to view these account statements and to reconcile the accounts with GRAMMER as specified. If no objection is raised within 10 business days after posting of this information in the GRAMMER Supplier Portal, the inventories reported by GRAMMER shall be considered accepted.

Access to the GRAMMER Supplier Portal is available via **https://www.grammer.com/supplier-support/logisitcs/.**

* 1. Packaging Data Sheet (PDS)

The packaging data sheets are created in SAP and can be viewed by suppliers at any time via the Supplier Portal. A separate packaging data sheet must exist for every material number. For processing and display of the packaging data sheets in SAP, the supplier receives an access account for the Supplier Portal and detailed training documents on use of the Supplier Portal as well as a description of the individual functions. The current version of the packaging data sheet is available online. The supplier is obligated to use the packaging described in the currently valid packaging data sheet.

Older, existing packaging data sheets that are not stored in SAP remain valid. For training documents, see: GRAMMER Supplier Portal

* 1. Goods Labeling

Every packaging unit must receive a label according to VDA 4902, or the compatible goods tags of the systems ODETTE or AIAG (overseas). The number and position of the goods tags must be coordinated between the supplier and GRAMMER.

The label must contain the following information:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| No.  | Field Name / Data Element  | Req. / Opt.  | Barcode  | Comment  |
| 1  | Goods recipient, short  | R  |  |  |
| 2  | Unloading site  | R  |  |  |
| 3  | Delivery note number  | R  | Yes  |  |
| 4  | Supplier address, short  | R  |  |  |
| 5  | Net weight  | R  |  |  |
| 6  | Gross weight  | R  |  |  |
| 7  | Number of package units  | R  |  |  |
| 8  | Customer reference number  | R 2)  | Yes  |  |
| 9  | Filling quantity (in package unit)  | R  | Yes  |  |
| 10  | Designation, delivery, service  | R  |  |  |
| 11.1  | Supplier material number  | O  |  |  |
| 11.2  | Packaging reference number Supplier number  | O R  |  |  |
| 12 | Vendor number | R | YES |  |
| 13  | Date  | R 1)  |  |  |
| 14  | Revision status Design status  | R 1)  |  |  |
| 15  | Package unit number  | R 1)  | Yes  |  |
| 16  | Batch number  | R 1)  | Yes  | For parts requiring batch information  |
| 17  | Supplier address, long  | R 1)  |  |  |

1) From VDA Recommendation 4902 Version 4 (or subsequent version of deviating requirements from GRAMMER AG)

2) For delivery of multiple reference numbers in a single package unit, the comment “Mixed shipment” should be included in this field.

Deviations from the above definitions must be agreed upon between the supplier and GRAMMER.

The fields delivery note number, customer reference number, filling quantity and supplier number must also be printed on as barcodes (code 39). A barcode identifier must be appended before the actual barcode content (prefix). The following barcode identifiers must be used here:

|  |  |
| --- | --- |
| **Data Element** | **Barcode Identifier** |
| Delivery note number | N |
| Customer reference number | P |
| Filling quantity | Q |
| Supplier number | V |
| Batch number | H |
| Single Label | S |
| Master Label | M |
| Mixed Label | G |

The goods tags must be applied in a way that is easily visible from the outside and may not extend past the outer contour of the packaging or cover each other up. The design of the tag and its application must be selected so that the goods tag can be read at the delivery location by machine and manually. The goods tag must be fastened so that it is not lost during normal handling and transport.

Elements for securing the loading unit (straps) may not hinder the readability of the goods tags. Additional goods tags may only contain information for the recipient / transporter (e.g. change notice, hazardous goods designation, safety instructions). These must be applied so that they do not extend past the outer contour of the packaging. Old goods tags as well as fastening elements (e.g. clips, wires) must be removed. For reusable containers, no full-surface adhesion may be used.

* 1. Packaging for Hazardous Goods
		1. General

Hazardous goods is the term for all substances and preparations that are classified according to hazard potential in the Hazardous Goods Ordinance (GefStoffV) and the relevant EU Directives (e.g. 67/548/EEC and 1999/45/EC) or their implementations in national law and must be labeled due to their dangerous properties. In non-EU countries, the respectively applicable national regulations must be complied with. The regulations are intended to protect humans and the environment and to provide information about hazardous materials that is important to people.

* 1. Labeling of Hazardous Goods

The shipper is responsible for the designation and labeling of hazardous goods in accordance with the applicable regulations.

1. Supply
	1. Delivery Safeguarding / Reliability

The supplier guarantees on-time deliveries within the framework of the agreed provisioning and delivery times. The respectively specified quantities and deadlines must be complied with in all cases, regardless of legal and religious holidays and country-specific restrictions. If safety stocks are required in order to satisfy this requirement, the supplier shall be individually responsible for defining the type and scope of these safety stocks.

Delivery according to the FiFo (First in – First out) principle from any safety stock must be ensured throughout the entire delivery chain. The supplier is authorized to make partial deliveries and deliveries before the delivery date specified in the delivery plan only with prior written approval by the competent procurement clerk of GRAMMER and with coverage of additional costs by the supplier.

100% adherence to delivery schedules is expected. In event of late delivery, the supplier is liable for all damages resulting for GRAMMER.

GRAMMER performs a logistical evaluation of the suppliers on a quarterly base. This process produces figures that describe the delivery behavior. The logistics figures enter into an overall evaluation system of the purchasing department and are taken into consideration during the next supplier selection process.

* 1. Reaction to Delivery Bottlenecks

In event of delivery difficulties, the competent procurement clerk at the affected GRAMMER plant must be proactively notified immediately and independently. In this regard, the supplier must specify the remedial measures and binding follow-up deadlines. This does not relieve the supplier of his liability for any damages resulting from late delivery.

Every expected delivery bottleneck that will have an effect on scheduling or quantities must be reported immediately to the competent procurement clerk. In particular, the following rules apply here:

* For call order changes over the long term (> 3 months before delivery date) within 14 days.
* For call order changes over the medium term (<= 3 months > 10 days before delivery date)

within 3 days.

* For call order changes over the short term (<= 10 days before delivery date) within 24 hours.
	1. Order Process

It is possible to order material from the supplier via a normal order (by fax) or delivery schedule forecast (VDA 4905), in some cases also according to VDA 4915 (detailed call order) / VDA 4916 (product-synchronous call order).

The call orders encompass a time period of up to 12 months and therefore provide a preview of the medium-and long-term need developments in addition to short-term needs.

In addition, depending on the location, the internationally valid standard formats according to VDA, Odette, ANSI X.12 or EDIFACT must be used. The exact definition of the message formats used at the individual production sites as well as the technical connection options must be coordinated with the GRAMMER group IT.

All required hardware and software of the supplier as well as the adaptation of the IT - systems of the supplier are the responsibility of the supplier himself. An emergency strategy must always be developed for every EDI solution.

Alternatively, it is also possible to switch the order processing process over to the more cost-efficient variant of Web EDI. With a Web EDI system, the data to be sent to the business partner (delivery schedule forecast, normal order, etc.) is stored on a Webserver, which the supplier first accesses with a password and then has the opportunity to view stored data, print it out or download it in various formats. It is also possible to enter delivery and transport data and create an electronic delivery note as well as to print out the corresponding delivery papers.

For the order process via delivery schedule forecast, the supplier receives rolling need quantities / need data through a call order according to VDA 4905.The respective GRAMMER plant decides which order process (normal order or delivery schedule forecast) is used.

Delivery schedule forecasts can be transmitted via EDI (VDA 4905), fax or e-mail.

The vendor is responsible by himself, if he receive Grammer schedule releases by email, to take care for the correct email address and to monitor this process.

In addition, it is possible to create call orders in the GRAMMER Supplier Portal. The costs arising for the portal user account must be born by the supplier.

The transmitted call order dates are always arrival dates at the ordering GRAMMER plant, regardless of the agreed Incoterm.

In case of integration via wall-to-wall processes or supplier consignment, the call order takes place via KANBAN. The supplier must ensure here that the agreed MIN / MAX inventories are maintained in the supplier warehouse. To this end, the supplier is given the opportunity to view the current inventories in the GRAMMER Supplier Portal.

* 1. Approval Processes and Reprocurement Times
		1. Approval Process for Delivery Schedule Forecast

The manufacturing and material approval designates the period of time for which GRAMMER is obligated to accept the ordered part or input material. The standard value for the manufacturing approval is four weeks, the standard value for the material approval is an additional four weeks.

The approval periods can be adapted in individual contracts, if necessary. The agreed approval time periods are defined in the logistics specifications and transmitted with the delivery schedule forecasts. The time period of the manufacturing and material approval starts with the delivery schedule forecast creation date and applies for the specified period, progressing day by day as long as no new delivery schedule forecast exists. The maximum approval quantity is calculated from the cumulative goods receipt quantity upon call order creation plus the need quantities specified in the approval period.

The need quantities exceeding this are plan values that serve only for information purposes. The delivery must be based on the most recent delivery schedule forecast.

* + 1. Approval with Monthly Plan Information for the Supplier (Seating Systems)

For suppliers who receive monthly plan information (not via delivery schedule forecast, rather via Web EDI / email), the manufactured part approval encompasses in each case the first plan month sent, the material approval also encompasses the second plan month sent. If safety stocks have been agreed upon between GRAMMER and the supplier in an individual case and if these are greater than 1 month of the indicated annual need or greater than the quantities indicated in the monthly planning, the manufactured part approval applies to the entire safety stock. If the monthly plan quantities in the approval period are smaller than the agreed lot sizes, these agreed lot sizes apply for the approval.

* + 1. Approval Without Monthly Plan Information for the Supplier (Seating Systems)

As long as a supplier is not yet receiving the monthly rolling plan information, the manufactured part approval encompasses 1 month of the indicated annual need, the material approval 1 additional month. If safety stocks have been agreed upon between the customer and the contractor in an individual case and the safety stock is greater than 1 month of the indicated annual need, the manufactured part approval applies to the entire safety stock. If the monthly plan quantities in the approval period are smaller than the agreed lot sizes, these agreed lot sizes apply for the approval.

* + 1. Rule for Product Ramp up

The lot sizes will be individually agreed upon during the ramp up phase of a new product. The supplier must ensure that sufficient safety stocks are kept ready during the ramp up phase in order to react as flexibly as possible to call orders. Project-specific plan previews will be provided to the supply by the technical purchasing department for production planning and optimization. The agreed delivery dates must be met without limitation in order not to endanger the production phases in the initial product establishment. These are therefore considered fixed deadlines.

* + 1. Rule for Product ramp down

In event of the elimination or ramp down of a part, GRAMMER will inform the supplier in a suitable fashion before the elimination or ramp down.

As of this point in time, the previous agreements regarding

* manufacturing lot sizes,
* delivery lot sizes,
* packaging quantities, as stated in the packaging data sheet,
* delivery and pickup frequencies,
* minimum order quantities

are no longer valid and require coordination with the GRAMMER procurement clerk. The type and character of the packaging specified in the packaging data sheet remains hereby unaffected.

During the discontinuation phase of a product / component, deviations from the lot size in the system agreed upon according to the specifications may occur. The exactly required need will be transmitted. The supplier may not make any claims for additional costs arising for the supplier in this regard (retooling costs).

* + 1. Reprocurement Times (RPT) (Seating Systems)

The following applies to suppliers who receive the monthly plan information via email, LAB or the portal:

1. The maximum reprocurement time between GRAMMER and the supplier is: Transport time + 2 days processing time
2. Due to the approvals accepted by GRAMMER (4+4 weeks), a longer reprocurement time will not be accepted since material procurement by the supplier can take place already based on the preview figures provided.
	1. Minimum Order Quantity

If not otherwise agreed, the minimum order quantity (MOQ) is the filling quantity of the smallest packaging unit agreed between the Supplier and GRAMMER in the Packaging Data Sheet (PDS). Any deviation needs to be stated in written in the contract between both parties.

* 1. Emergency Strategy

The supplier must create an emergency concept for manufacturing, transport and packaging. This must be coordinated with GRAMMER before the series start. The concept must include the following points:

* Emergency contact (weekends, availability)
* Production (shift model, business hours for manufacturing, production throughput time,
* reaction time, process in event of tool break down, alternate capacities, etc.)
* Substitute packaging
* Safety stocks
* Transport (commissioned company and its address for special transport, including contact
* persons, travel time and price)
* Information flow (alternate model for a failure of communication with the IT system or for
* failure of the IT system)

If disruptions arise, the supplier must immediately inform the affected plant. The type and duration of the disruption as well as the measures already taken according to the emergency concept must also be reported. If these are not sufficient, GRAMMER reserves the right to take further measures. These serve to ensure that the production both at GRAMMER as well as at our customers remains guaranteed.

1. Logistics Quality

Failure to comply with the agreed conditions and provisions represents a disruption and will be documented by GRAMMER with a logistics disruption report.

The logistics disruption report will be sent immediately by GRAMMER to the supplier for a position statement. The position statement of the supplier must be provided by no later than on the following business day. In addition, GRAMMER can note on the logistics disruption report that an 8-D report is required. In this case, the supplier must immediately begin preparation of the 8-D report.

GRAMMER specifies a digital format for the 8-D reports that must be used by the supplier.

In addition, other additional expenses arising from the logistics disruption can be invoiced to the supplier. For example, this could involve additional expenses

* for sorting and inspection work at GRAMMER due to improperly labeled mixed pallets or the (impermissible) use of containers with mixed content,
* due to absent, faulty or unreadable delivery notes,
* due to absent, faulty or unreadable labels,
* due to soiling of containers or goods,
* due to improper packaging (additional costs for unpacking and repacking as well as
* disposal),
* for the carrier making the pickup in event of waiting periods due to deliveries made available
* late, due to downtime on production lines caused by under-deliveries or late deliveries.
1. Logistics Costs

A completed logistics data sheet must be enclosed with every offer of the supplier. This logistics data sheet represents an offer via a logistical delivery form with the goal of depicting all costs required for supplying GRAMMER according to the requirements. Unless otherwise agreed, the offer is therefore a “DAP” offer (DDU/DDP) for GRAMMER. The logistics data sheet can be requested at the responsible commodity manager.

* 1. Delimitation of A-Price

The A-price (part price) includes all internal logistics expenses of the supplier that are required for the requested delivery variant (material and information flow), including packing into the offered container. Costs for containers and packaging material are not included in the A-price.

* 1. Delimitation of B-Price

In addition to the part costs, the B-price also includes the costs for the packaging, i.e. the costs for single-use packaging (packaging and packing aids) or costs for reusable packaging / load carriers for the part of the load carrier cycle for which the supplier is responsible or must provide for according to the delivery conditions. It can be declared as cycle costs, depreciation value or rental costs or even transfer costs, including the administration costs. The B-price also includes the transport costs in addition to the part price and packaging costs. The transport costs include all costs that arise for the transport of the goods, i.e. the loading onto a means of transport as well as the transport from the shipping location to the intended destination, in accordance with the delivery conditions. In addition to pre-run, main run and follow up movement costs, this also includes provisioning costs for containers as well as handing costs, holdups, etc. The return of empties (return costs) must also be taken into account here.

CHANGES:

6.5 rename and a small text adjustment