



# **Logistics Manual for Suppliers**

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## 1 Introduction

This document regulates the manner of and conditions for deliveries to SPAR Magyarország Kereskedelmi Kft. (registered office: 2060 Bicske, SPAR út 0326/1. hrsz.; company registration number: 07-09-009192; hereinafter: SPAR), the handling of the packaging accompanying the goods, requirements for marking the goods delivered, and activities related to supplying.

## 2 Basic information

### 2.1 General requirements

The goods ordered by SPAR shall all satisfy the logistics requirements listed below, which shall be complied with on a mandatory basis:

- Each order shall be supplied **at the appropriate quantity, quality and time**.
- The packaging shall provide **appropriate protection** for the goods.
- The composite packaging of all products shall bear barcodes of an appropriate quality. The appropriate time data for products with a best before / consume before date, and the other data required for tracking for foods with no best before date (e.g. LOT number) shall be encoded in the barcode, in GS1-128 format. The codes shall be placed visibly on the outer side of pallets. The detailed rules are set out in chapter 5. Exemptions from the use of GS1-128 barcodes may be granted only by the product assortment manager in writing.
- There may **only be one kind of product in the same packaging and with the same consume before / best before date on any one pallet**. The homogeneity of stacks and the proper fixing of products on the pallet shall be ensured by the supplier. Otherwise the driver shall have the task of taking the stack apart and properly fixing the goods.
- Goods ordered may be delivered only on standard and damage-free **EUR, CHEP** or EPAL pallets (or on H1 plastic pallets in the poultry and fresh meat area), securely bonded, **with a maximum mass of 1,000 kg** (except for the Bicske fresh goods storage where the limit is 750 kg due to the load-bearing capacity of the scaffolds), with a height of **maximum 195 cm**<sup>1</sup> (including pallet). Neither the goods loaded nor the fixing may reach wider than the pallet. Another important aspect is that the stack factor shall be indicated in advance to receipt, and information shall be sent in advance about any changes in these details as well.
- **Unloading the goods shall be the task solely for the driver**, no SPAR employee may enter the cargo hold. The reason for this is that SPAR will assume liability for the goods only at the moment of taking over the goods. During unloading, the driver **must wear safety shoes, and it is mandatory**

<sup>1</sup>Except for the fruit and vegetables assortment, where taller stacks may also be shipped after prior agreement. The Parties need to conclude a separate agreement on the exceptions to these provisions.

**to wear yellow or green visibility vests in the area of the logistics center.**

- All products arriving to the warehouse must bear **Hungarian-language labelling** in line with the conditions specified in law.
- It is important that the goods shall arrive to our warehouse **in packaging agreed in advance** with the purchasing department.
- **Stack summaries** shall be indicated for the bulk (variable weight) products of all assortments, which must contain the gross total weight of the stack and the net total weight of the products, and the number of wholesale units in the stack.
- In the event that the product has a best before or consume before date, it shall be indicated on the consumer package according to section [2.7 Consume before, best before date](#).
- Accurate and full completion of the listing data form sent to the supplier by the purchasing department is an extremely important factor.
- In the event of small shipping quantities of each product, shipping on stacked pallets or inhomogeneous pallets easy to sort may be permitted subject to compliance with [hygiene requirements](#), but it is the driver's task to create homogenous stacks in this case as well.
- Rules for samples/cardboard boxes registered to name delivered:
  - Drivers shall deliver all such shipments to the reception, where they will be accepted by the receptionist or the security service after office hours, and deposit them in a refrigerator if needed until they are collected by the addressee.
  - Acceptance may make an exception only in the event that the dimensions of the product shipped do not allow for storage at the reception, but in such cases, the competent staff member shall be notified about the arrival of the goods by e-mail, who shall in turn arrange for removing the package from our area within the shortest time practicable.

## 2.2 Times for accepting goods, principles

It is important for suppliers to punctually observe a pre-defined time interval to ensure proficient and continuous acceptance.

|                                     |  |
|-------------------------------------|--|
| Dry goods warehouse*:               | Mon 06:00 - Sat 06:00*                                       |
| Fresh goods warehouse**:            | Bicske: 19:30 – 06:00<br>Üllő: 21:30 – 06:00                 |
| Fruits and vegetables warehouse:    | Bicske: Mon-Sun 19:30 – 06:00<br>Üllő: Mon-Sun 21:30 – 06:00 |
| Poultry and fresh meat warehouse**: | Bicske: Mon-Sat 19:30 – 04:00<br>Üllő: 21:30 – 06:00         |
| Frozen goods warehouse***:          | Mon-Fri 06:00 – 14:30  |

\*The driver must check in at the goods entrance by 02:00 Saturday

\*\*Deliveries without time intervals can be received until 03:00 on the given day of receipt

\*\*\*Checking in is allowed until 11:00 without a time interval

SPAR's quality policy stipulates that the products that may be released into commerce must comply with the standards and legislation of the European Union and Hungarian standards. Acceptance of goods and quality control form fundamental parts of this. SPAR reserves the right to **return shipments if they do not comply with the applicable legal and contractual requirements from a hygienic or other perspective.**

**SPAR's hygienic criteria are available at the following link:**  
[http://www.spar.hu/hu\\_HU/spar\\_csoport/spar\\_magyarorszag/szallitok\\_kulso\\_szolgaltatok.html](http://www.spar.hu/hu_HU/spar_csoport/spar_magyarorszag/szallitok_kulso_szolgaltatok.html)

Incoming goods will be accepted only with a valid order and together with the appropriate documentation. When accepting foods, the receiving clerk will pay special attention to **consume before and best before dates**, to verifying that Hungarian-language labels are complete and exist, that stacks are **homogenous**, and for products of animal origin, that the **veterinary sign** is in place and verify the transport temperature if relevant.

## 2.3 Transport temperatures

|                                     |   |
|-------------------------------------|---|
| Raw meats on plates (beef, pork):   | between 0 and +5 °C   |
| Raw poultry and seasoned meat:      | between 0 and +4 °C   |
| Offal:                              | between 0 and +3 °C   |
| Ground meat (beef, pork, poultry):  | between 0 and +2 °C   |
| Milk and dairy products:            | between 0 and +5 °C   |
| Meat products (cold cuts, salamis): | between 0 and +5 °C   |
| Packaged pastry products:           | between 0 and +5 °C   |
| Cold kitchen products               | between 0 and +5 °C   |
| Fruits and vegetables               | taking into account the parameters indicated on the packaging                                   |
| Frozen products:                    | governed by the manufacturer's definition, which may be one of three kinds: -12°C, -18°C, -24°C |

## 2.4 Acceptance of fresh goods

For *poultry and raw and carcass meat products*, the goods will be accepted if stored in clean M10 crates or other crates agreed and approved in advance, only on H1 gray pallets. The crates must be lined with foil for meat products and other bulk goods, which must cover the entire surface of the product; also, a label containing the veterinary registration number must be in place, and must be attached to each

item. For non-bulk goods, packaging must provide adequate protection against damage and soiling. This is expressly applicable to vacuum packaged products. The correct indication of the consume before/best before date is a fundamental requirement.

**For goods measured by weight, the pallet note shall contain the following details:**

- producer (veterinary registration number)
- product description (GTIN (formerly: EAN) number of the product)
- quantity (net weight and wholesale unit)
- date packaged
- consume before date

## 2.5 Acceptance of frozen goods

When delivering frozen products, special attention shall be paid to the constant operation of the truck's cooling system during unloading.

## 2.6 Specific requirements for acceptance of fruits and vegetables

Requirements:

- Products subject to a marketing standard must comply with legal requirements.
- The shape, level of development and color of all products shall be as typical for their type.
- The contents of a packaging unit of each product should be homogenous, of the same origin, kind, type, quality and size. The maximum variation within a packaging unit may be maximum 10%.
- The packaging of the product shall be clean, protect the goods and make no damage to the goods.
- The visible part of the packaging shall represent the entire inner contents.
- Each product in a unit package (net, dish, bag) shall be wholesome, healthy and free of damage that may spoil.
- Products may not be frozen or damaged by frost.

Upon acceptance, *we test a representative sample* taken by random selection. We check that the classification of the shipment corresponds to the classification indicated on the product label.

In the event that a product does not meet requirements in the course of acceptance, we prepare minutes on qualifying the product, and a copy of the minutes is handed over to the supplier together with the certified delivery note. In order to reduce and avoid shortfalls in deliveries to stores, the possibility of replacement is offered to suppliers in respect of products not accepted due to quality errors. The reason for rejection - if visible to the eye - is archived digitally, and photographs are retained for 60 days.

## **Quality control**

In the course of this process, the quality controller unpacks the stacks and checks the products received. Quality control includes:

- a) *temperature control*
- b) *weight measurement*
- c) *quality control of the product: freshness, condition, aesthetics, size in line with the official specifications issued (if any)*  
Products shall satisfy the following general characteristics:
  - wholesome,
  - healthy (rotting or other deteriorations in condition that make products unfit for consumption are reasons for exclusion)
  - clean, that is:
    - practically free of all visible foreign material
    - unsoiled
    - practically free of pests
    - practically free of pest damage
    - free of improper outer wetness, meaning it has been properly dried after washing
    - free of foreign smell and/or flavor
    - can withstand transport and goods handling without a deterioration in quality
  - ripe (overripe or completely unripe products do not satisfy requirements)

- d) *checking compliance of packaging*

- e) *labelling*

**There may be only one label per crate.** The following details shall be indicated legibly, indelibly and clearly visible from the outside of the same side of packaging units:

- Name, address and contact details of the supplier  
Name and address of the packager and/or distributor, or their officially issued or accepted code. However, in the event a code is used, the marking "packaged and/or distributed, imported by" (or an abbreviation corresponding to that) shall be indicated in the immediate vicinity of the code.
- Product description  
For fruits and vegetables, in addition to the description, the type or commercial type and, in some cases, the color of the fruit flesh shall be indicated according to legal requirements.

- Product origin  
Name of the country of origin and - not on a mandatory basis - the growing region, the name of the country, region or town.  
For citrus produce, treatment administered after harvesting shall be indicated on the label.
- Commercial characteristics  
Classification into quality classes, packaging.
- Size indication, within a to-from range  
If the product was sorted by size, specifying the smallest and largest diameters. This is mandatory to indicate only in 10 product categories listed in EU standards + watermelon.
- Weight details  
Indication of net weight or number of pieces.

## 2.7 Consume before, best before date

The date of packaging must be indicated for all products with consume before or best before dates that are received, as well as the consume before and best before dates for packaged products (except for fruits and vegetables).

Best before dates shall be indicated as follows:

- a) *The date shall be preceded with the following phrases:*
- „Minőségét megőrzi: ...” (“Best before: ...”), if the date includes an indication of the day,
  - „Minőségét megőrzi ... végéig” (“Best before the end of ...”) in other cases.

- b) *The phrase specified in paragraph a.) shall be supplemented with the following:*
- the date itself, or
  - an indication of where the date can be found on the labelling

If necessary, these details shall be followed by a description of the storage conditions to comply with in order for the product to preserve its quality in the period specified,

- c) *The date shall contain the day, month and, if necessary, the year in uncoded form and in this order.*

However, for foods that

- preserve their quality for less than three months, indication of the day and month will suffice,
- preserve their quality for more than three months but less than 18 months, indication of the month and year will suffice
- preserve their quality for more than 18 months, indication of the year will suffice

Consume before dates shall be indicated as follows:

- a) *The date shall be preceded by the phrase "Fogyasztható: ..." ("Consume before: ...").*
  - b) *The phrase in paragraph a) shall be followed by:*
    - the date itself, or
    - an indication of where the date can be found on the labelling.
- These details shall be followed by a description of the storage conditions.
- c) *The date shall contain the day, month and, if necessary, the year in uncoded form and in this order.*
  - d) *The consume before date shall be indicated on each prepackaged portion.*

Other provisions:

- The contents of the best before dates indicated on the consumer packaging and on the composite packaging must match.  
The exception to this rule is composite cardboard boxes containing mixed consumer products (mixes). In such cases, the shortest best before date shown on consumer packaging shall be indicated on the composite packaging. Identical products and identical flavors must have the same best before date within a composite package in this case as well.
- In conformity with the coding standard for GS1-128 bar codes, date coding follows the sequence year/month/day (YYYYMMDD). Therefore, the text of the wholesale unit may use this data in this sequence.
- The consume before and best before periods must be coded appropriately in the GS1-128 code; see the details in the chapter entitled [5 Information related to the marking of goods](#).
- Signs concerning special conditions for storage or use required for preserving quality are a requirement.

## 2.8 EKÁER

In conformity with applicable legislation, the supplier has the task of reporting shipments transported for SPAR on a domestic basis for EKÁER purposes, and for updating and closing the reports (EKÁER: Electronic Public Road Trade Control System). In this case, SPAR will not check that the number is in place or that the report is correct.

In the event that SPAR is obliged to make this report, the partner must provide the data related to the delivery of the shipment, and must continuously inform the competent person having made the report about any modifications to the data. In such cases, the data contained in the report will be checked also during acceptance, in order to return the appropriate data.

## 2.9 Displays

- Displays shall be sufficiently stable and maintain this stability also when being moved: it is important to strap or fix the display to the equipment used for moving with plastic film.
- Individual display packaging shall be closed to prevent access to and dropping of products.
- The marking on the outside of the display shall include the description of the display together with the related barcode, in line with the requirements of the GS1 standard applicable to logistic labelling.
- The display may not reach out beyond the equipment used for moving it, which may be
  - a quarter or half of a pallet
  - a quarter of a dolly.
- The weight limit for standard quarter or half pallet size displays shall be 30 kg gross. In order to facilitate moving within a shop, heavier displays shall be handled using a dolly.
- Displays of a custom shape (e.g. circle) may be shipped in the traditional manner, using a pallet, with the written consent of the manager for the product assortment.
- The shortest best before date found on the products contained in the display shall be indicated as the best before date for the display.
- No displays with different types/contents may be put on the same pallet.
- In addition, for dollies,
  - Dollies shall be delivered to logistic centers by fixing four of them together using plastic film, in a state fit for moving independently, and/or moving by forklift. (No other equipment for moving such as pallets need to be used.)
  - The size of the display must fit the dolly size perfectly to ensure appropriate aesthetics and mobility (quarter of a pallet).



- Empty displays need not be transported on dollies.

## 3 Supplier terms

### 3.1 Documents to accompany shipments

The delivery note shall be made out in at least three copies, one of which will be retained by SPAR. Required contents of delivery notes:

- Supplier details (name, address, bank account number, tax number)
- Buyer details (name, address)
- Delivery note number
- Date of performance
- Order number
- Exact description, packaging, quantity, SPAR article number, possibly GTIN (formerly: EAN) barcode of the product
- Data required for tracking foods (best before/consume before dates, production lot number, etc.)
- Declaration on the compliance of the goods with the product specification (e.g. compliance with withdrawal periods for foodstuffs)
- Signature of the recipient
- Date
- Itemized list of the packaging
- EKÁER number if the shipment is subject to reporting obligation

### 3.2 Entry procedure

Entry to and exit from the area of the logistic center shall take place via the goods entrance. The vehicles arriving to the center are registered at the barrier and may drive on only after a check by and with the approval of the security service.

Lorry drivers delivering goods may turn up for entry only with an "**Entry ticket**", to be provided by the security guard directing external traffic. They shall wait in the external parking lot until the goods are delivered. The entry ticket shall indicate the following information:

- Entry date and time
- Name of supplier company or partner
- Name, phone number and number of photo ID of the driver
- License plate number of the vehicle (traction unit), trailer
- Description and quantity of the goods to be delivered
- EKÁER number
- Whether the vehicle will make transshipments, number of empty pallets, whether the vehicle has manual equipment for moving materials.

The driver shall confirm the information provided by signing. Once the entry ticket is submitted, the driver receives an entry card authorizing entry. Only persons having entry cards may enter the area of the logistic center. Supplier cards may be used only for opening the doors next to the goods acceptance gates. The cards must be returned upon exit, and the person registered as holding the card shall be liable for the loss of cards.

The order in which suppliers shall arrive for acceptance is determined by the acceptance unit.

In the event of having made a reservation in the Mercareon system, the reservation (along with the time of the reservation and the reservation number) shall be indicated at the time of reporting to the goods entrance, by the reservation ticket or in a short text message. The requirement for acceptance in the time window is that the truck shall report to the entrance together with the confirmation of reservation at least half an hour before the time window commences.

Delivery and acceptance of packaging materials will take place according to the instructions of the acceptance officer working in the warehouse for packaging materials.

### **3.3 Acceptance of delivery notes and delivery documents, checking in at the relevant gate**

The driver making the delivery shall report to the designated space at the acceptance office. This is where drivers have to submit the *delivery note(s)*, possible *delivery documents, journey forms, CMR documents*.

*Requirements for documents: (to be checked by acceptance officer)*

- has the shipment been delivered to where it was addressed
- is there a valid order for the products delivered (for orders shipped before expected, acceptance of the goods may be rejected until the expected date of delivery)
- is the despatcher of the goods the same as the party shown in the order
- are wine/beer accompanying documents, EKO, TKO documents in place if needed
- excise products
  - in the event of shipping with a delivery note, if the warehouse's excise number is shown in the delivery note, it must also be verified
- for green goods, is there a statement by the supplier on compliance with the withdrawal period related to pesticides
- is there a statement on growing in case of delivering mushrooms

Once the documents have been checked, the acceptance officer informs the supplier or its representative (e.g. the driver) about the *requirements for acceptance of goods and related tasks*:

- unloading of the goods shipped in the goods acceptance area
- building homogenous stacks by product, and within that, by consume before dates (unbundling)
- proper fixing of goods in the stacks
- handling of pallets that cannot be replaced (see the chapter on Handling of pallets)
- removal of any return goods, which is the duty of the supplier or its representative

Afterwards, the acceptance officer specifies the acceptance gate to be used by the driver. Once the vehicle is parked by the gate, he checks that the ramp is clear and the delivery vehicle is appropriate. After that, the driver may commence unloading and unbundling.

The supplier must ensure that the delivery vehicle complies with *hygienic requirements*. The acceptance officer checks that:

- the delivery truck is tempered in the case of products requiring cooling and has a closed cargo bay (the required temperatures are set out in section 2.3)
- the cargo bay is clean and free of foreign smells and soiling

In completion of the acceptance of goods, the acceptance officer verifies that the items identified match those received, then arranges for the exchange of exchangeable pallets and other packaging materials with materials having the same quality and quantity as those shipped. (see chapter 4.4.)

Acceptance is confirmed by signing the delivery note and stamping it with a stamp confirming acceptance of goods and (in case of exchange) an exchange of pallets. The driver may leave the goods acceptance area if it is clear and orderly.

### 3.4 Time window system - Mercareon

We provide an opportunity for reserving a time window for deliveries to our partners, to facilitate the process for accepting goods.

Reservations for our *fresh goods* warehouse area may be made using dedicated e-mail addresses (*idokapu-ullo@spar.hu*, and *idokapu-bicske@spar.hu*), after which the time window fixed will remain valid until withdrawn, and deliveries will be made in the same time interval every day. Requests may be submitted using the above addresses, and time windows will be registered after they are confirmed and the supplier declaration is signed.

In departure from the above, reservations are to be made separately for each order for the *dry goods and frozen goods* area. This process takes place using an online interface, which requires our supplier partner to conclude an agreement with **Mercareon**. Reservations for time windows still available may be made in the system based on notice number until 6.00 on the given day of delivery. The reservation shall indicate the supplier's name and partner code, the license plate number of the vehicle and the quantity of stacks actually delivered. It is important to note that rather than the number of pallets on the truck, the number of stacks should reflect the number of stacks after unloading from the vehicle and sorting the goods into homogenous stacks.

Punctuality in arriving to the goods entrance is a fundamental requirement, because we expect our partners to arrive and report at the entrance **at least 30 minutes before the time window reserved** in order to ensure compliance with acceptance procedures. The driver needs to have the reservation number (on a reservation ticket or in short text message) for validation. Any departure from the time window specified is allowed only in exceptional force majeure cases (such as road block, accident, extraordinary weather conditions), and on such occasions, the supplier's contact person must indicate the delay, the reason for the delay and the

expected time of arrival in writing by e-mail before the time window opens ([idokapu-bicske@spar.hu](mailto:idokapu-bicske@spar.hu) or [idokapu-ullo@spar.hu](mailto:idokapu-ullo@spar.hu)). In case the time window is missed, the vehicle will be handled in the framework of acceptance based on order of arrival.

There is one vehicle allotted to one time window. Basically, one time window covers one shipment, which may include several orders but only one vehicle. When making the reservation, suppliers may make reservations for more than one orders.

If an order fits only on more than one vehicles, a separate delivery note shall accompany each vehicle.

### **Mercareon Hungarian-language customer service:**

(new suppliers may register into the system using these contact details)

Phone: +36 1 70 089 50

Fax: +48 12 631 20 99

E-Mail: [support.hu@mercaren.com](mailto:support.hu@mercaren.com)

## **3.5 Internal traffic rules**

The provisions of the Traffic Code (KRESZ) apply to SPAR's internal areas. The highest speed for lorries is 20 km/h throughout the entire warehouse area. Traffic in the logistic center may be conducted only with **lorries with a closed cargo bay**, as open tail lifts are prone to accidents and are therefore strictly prohibited. There is a one-way-drive regime at the sites, and the directions can be found on the reverse side of the entry ticket. It is important to observe traffic rules, as there may be pedestrian and forklift traffic coming in the opposite direction.

**Tail lifts may be opened only within 5 meters of the gate** prior to parking by the unloading gate, exercising special attention, and the tail lift must be lifted to completely close the cargo bay within 5 meters of the ramp when departing.

When exiting through the goods entrance, the driver's cabin may be vacated only by stopping in front of the barrier; if an exit procedure is underway at the goods entrance, vehicles should wait at the waiting lot painted on the pavement.

In case a vehicle delivering goods has a failure or technical failure, no repairs may be conducted in the area of the SPAR Logistic Centre. If a vehicle breaks down in an internal area, the supplier must have the vehicle removed immediately. If this is not done within 24 hours or the failed vehicle obstructs traffic and is not removed by the supplier, SPAR will have it removed at the supplier's cost.

## **3.6 Additional rules**

When leaving the vehicles, drivers must wear **green or yellow visibility vests**, and may enter the warehouse building only wearing **closed shoes**.

**The transport operator must arrange for unloading the goods.**

Only drivers may enter. Loading/unloading hands or representatives of partner companies may enter the warehouse area only after receiving a permit from the warehouse management. The passengers and family members in the driver's cabin may wait for goods acceptance to finish in the external gate building.

In the event that any damage is caused, the Logistic Centre's security service takes minutes, and SPAR Magyarország Ker. Kft. submits a claim for damages to the transport operator.

A SPAR Magyarország Kereskedelmi Kft. operates an IFS Logistics 2.1 food safety and quality assurance system. The related rules currently applicable are posted at the goods entrance.

Areas concerned:

- prohibition of work (infectious diseases, influence of intoxicants)
- personal hygiene
- waste management.

Violations of internal rules shall be recorded in minutes in each instance.

*Smoking is permitted only at designated locations* in the area of the Logistic Centre.

### 3.7 Main rules for delivery of goods

SPAR's internal policies and the instructions of the Logistic Centre's competent manager apply in Logistic Centers, also to the employees and agents of suppliers.

Suppliers and/or their transport operators must provide the personal and material conditions required for unloading goods (we can provide lifting equipment needed for unloading only to persons qualified to use them /valid license for operating light machinery/ and only up to the extent of resources available to us).

**Delivery notes** are always required for goods acceptance, which shall indicate the supplier partner as despatcher and SPAR's appropriate logistic center as recipient.

Suppliers may ship and deliver goods ordered to the buyer only on standard and damage-free EUR, CHEP or EPAL pallets or on H1 pallets, securely bonded, **with a maximum mass of 1,000 kg** (except for the Bicske fresh goods storage where the limit is 750 kg due to the load-bearing capacity of the scaffolds), with a height of **maximum 195 cm** (including pallet), otherwise the buyer may refuse to accept the goods. The supplier or its representative must ensure that products are fixed to the pallets (e.g. by plastic film or straps). Products must be safe and stable on the pallets, and may not tilt or move separately from the pallet during transport.

If a supplier delivers on damaged, faulty or 'one-way' pallets, it must **load** the goods onto standard **pallets** provided by the buyer and immediately transport back the non-compliant pallets. Suppliers must ensure that goods loaded over are fixed to pallets in conformity with the above requirements.

In the event that a driver refuses to load over the goods in case of arrival on a pallet not deemed to be exchangeable but still fit for one-time loading in, the pallet will be loaded in as a one-way pallet. These pallets cannot be transported away.

Suppliers have the task of sorting articles (by article) on pallets and putting goods on the scale.

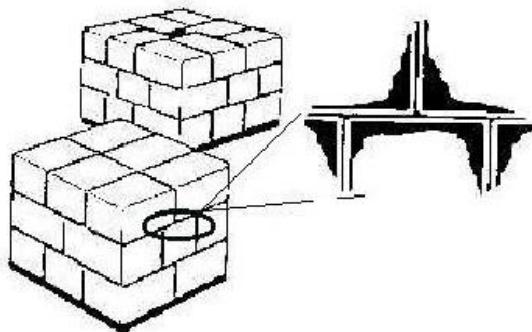
Requirements for crates accompanying the goods:

- crates shall be visibly clean and free of all dirt that cannot be linked to the given product
- there may be no label, tag, mark, etc. that is unrelated to the product, other than the current label.
- crates may not be broken, the stacks built out of them shall be stable and ensure appropriate protection for the goods during logistic handling.

### **3.8 Additional requirements for stacking and composite packaging of goods**

Packaging is an extremely important component of the supply chain, used by all participants of the process to the same extent. Its function is to afford proper protection for, present, transport and store the contents, which can be ensured by meeting the following requirements:

- Goods must be protected against damage, soiling and moving, which is why it is absolutely necessary to wrap pallets in plastic film. The film shall reach to the bottom of the pallet.
- Pallet loads shall be created to ensure that products remain stable also after the plastic film used to fix the load is removed (items shall be packed in bond).



- The composite packaging shall protect goods against damage of
  - mechanical
  - climatic
  - chemical
  - microbiological
  - biological
  - origin arising in various stages of the supply chain in the course of shipping, storage, commissioning and loading.

#### **Requirements for shipments suitable for storage**

- Stacks shall have vertical sides that remain within the dimensions of the pallet.
- Stacks shall remain stable and keep their shape also during transport, lifting and tilting.

- The maximum stack height is defined at 195 cm, and the weight of a pallet may be maximum 1,000 kg (except for the Bicske store for fresh goods, where the maximum weight may be 750 kg due to the load-bearing capacity of the scaffolds).
- Pallets shall be defect-free, with an appropriate load-bearing capacity and shall meet standards.
- Stacks may be wrapped only in transparent plastic film, with the only exception of products the quality of which may be affected by direct sunlight. The goods acceptance units concerned need to be consulted prior to the first supply of such products.

In summary: the composite packaging and stacking of products shall be capable of withstanding the use arising in the course of the distribution process, with special regard to the physical protection, shelf life and marketability of individual products, the capacity for stacking products, for commissioning and transport.

### 3.9 CD3 deliveries of dry goods

In our CD3 system, supplier partners have to deliver all of the goods ordered in conformity with the time window order - that is, exactly the quantity ordered, there is no remaining stock in storage of these goods, all products are commissioned and delivered to shops based on schedule after they are supplied. This is why it is very important for **supplier partners to arrive by the time window agreed in advance**. The supplier's lorry shall report to the goods entrance at least 30 minutes ahead of the time window. In the event that the supplier partner delays by more than 15 minutes after the time allocated, it will lose its right to acceptance within the time window, and the goods will be accepted on the basis of order of arrival. In this case, time window allocation shall be agreed with the purchaser of the products.

In the event that a supplier was given a standard and a CD3 order for the same day of delivery and wishes to deliver the two different types of shipment at the same time, it may do so in the CD3 time window.

CD3 time windows are allocated for until 18:00 Wednesday, after which we are unable to accept CD3 products due to the particular features of commissioning.

### 3.10 Rules for transporting return goods

Similarly to delivering goods, supplier partners or their representatives shall report to the goods entrance, indicating they are here to pick up return goods. This is where they will be informed about the details of return transport. The manual delivery note prepared for the quantity transported shall always be confirmed by the party carrying out the return transport, and if he fails to do so (in the absence of authorization to sign), the goods may not be released.

There may be more than one vehicles making deliveries for the same company, so, although the acceptance unit will indicate if that company has return goods to be transported, the driver needs to know about the return goods transport in advance. Once the "Supplier's confirmation" is accepted, suppliers have the task of informing drivers about having to transport that supplier's return goods.

## 4 Handling of packaging materials

The goal is to have only good quality packaging materials that correspond to standards and ensure appropriate stability and safety of goods enter the logistics warehouse and/or the SPAR network.

### 4.1 Main criteria of EUR and one-way pallets



Pallets that, although of the standard size, do not bear the EUR/EPAL marking, are deemed to be one-way pallets. Suppliers will not get exchange pallets for such pallets, and acceptance may also be excluded.

### 4.2 CHEP pallet

In addition to traditional EUR pallets, goods may be shipped to the central warehouse and the network using blue CHEP pallets. The distinctive marking of

this pallet is the CHEP logo on the corner leg:



Pallets of this type are subject to "strict accounting", meaning that

- stocks are recorded separately from EUR pallets
- CHEP pallets are released only to the representative of CHEP
- we never return them as exchange pallets to other suppliers in any case
- the given site is liable for each CHEP pallet
- all acceptance, release and records are made and kept in the same manner as in the case of any other auxiliary equipment for moving
- pallets are repaired by CHEP Magyarország Kft., so damaged pallets are returned to them.

### 4.3 Checking of pallets during acceptance of goods

In the course of checking the quantity and quality of goods, the acceptance officer also checks the quality of the pallet.

In the supply chain, we apply only two quality criteria for EUR/EPAL pallets:

- exchangeable pallet (see above)
- pallet not fit for exchange (see below)

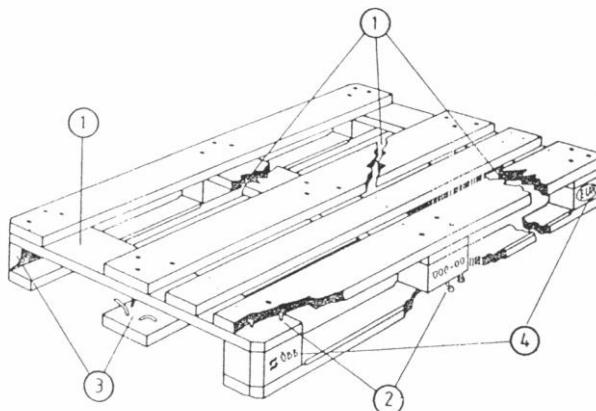
In addition, when accepting goods, we strive to ensure that suppliers receive EUR/EPAL pallets of the same quality as exchange pallets as the quality of the pallets they used to deliver the goods on. In the event that no exchange pallet of the appropriate quality is available and the exchange cannot take place, the incoming pallet is entered in the goods management system.

#### **Criteria for pallets not fit for exchange (UIC 435-2)**

*Pallets cannot be accepted and/or exchanged if*

- one slab of wood is missing in whole or in part, is slanted or broken
- the foot or top slab has been worn down so much that nails or screws are visible
- one block is missing in whole or in part, is broken or has been worn down so much that nails or screws are visible
- there are no identification signs or at least one identification sign is not visible: EUR, EPAL, UIC or rental system sign (e.g. CHEP) on both long sides of the pallet
- the pallet's general condition is so bad that its load-bearing capacity is not guaranteed any more, or shipment may get soiled or damaged
- the pallet has visibly been soiled by some material that poses a food safety threat for or has a detrimental effect on both the pallet and the goods stored on it in respect of cleanliness, taste, smell, condition.

If any of the following cases are in place, pallets may not be released back into circulation.



## Procedure for pallets not fit for exchange

In the event that a supplier makes a delivery using a pallet not fit for exchange, it must load the goods onto standard pallets provided by the client and transport back the pallets not fit for exchange. Suppliers must ensure that goods loaded over are fixed to pallets in conformity with the requirements.

### Packaging materials of an inappropriate quality cannot be exchanged; the criteria are as follows:

- pallet and/or crate is not of the appropriate type
- packaging material is faulty or broken
- it fails to meet hygiene requirements
- its general physical condition is so bad that it cannot support the goods

## 4.4 Process of releasing packaging materials to supplier partners

Identification at the release gate takes place on the basis of the delivery note and the entry ticket. Based on the quantity of packaging materials delivered together with the goods, the acceptance officer agrees the type and quantity of packaging materials to be removed with the driver. Packaging materials to be released will be transported by forklift operators to the line of the release gates, from where they will be loaded by the driver. The packaging materials to be returned are of the same quality as the packaging materials used for deliveries. The acceptance officer prepares a delivery note in three copies for the quantities released, one copy of which will be retained by the supplier partner. These copies are signed by both the driver (signature, license plate number) and the acceptance officer (signature, stamp), and are affixed the stamp confirming the exchange of pallets.

## 5 Information related to the marking of goods

*Existence of the mandatory or recommended markings as set out in the requirements applicable to products in legislation currently applicable on the end user packaging:*

- product description
- name and contact details of producer or distributor
- for foods, ingredients, nutritional values table and list of storage conditions
- existence of the veterinary health sign for products of animal origin
- existence of place of origin, place of birth or butchering where required or where the possibility of misleading consumers arises
- "CE" marking for electronic products (existence of warranty ticket as needed)
- and the GTIN (formerly: EAN) number of the product if required by SPAR

*The following details shall be shown on composite packaging:*

- GS1 standard GTIN (formerly: EAN) number of the composite unit
- quantity of the products in the composite unit
- exact product description
- best before and consume before dates in the manner required by law
- the production batch identifier (lot number) ensuring traceability for the purposes of Regulation (EC) 178/2002 and/or best before/consume before period, and the GS1-128 barcode symbol to indicate these character strings

*For poultry and meat products, the indication of weight details on the composite packaging should be given special attention:*

- for wholesale units listed as variable weight, the actual net weight
- for wholesale units listed as uniform weight, the uniform weight.

### 5.1 GS1-128 (formerly: EAN-128)

The GS1-128 (formerly: EAN-128) barcode that has been standardized internationally is one possible means of tracing. Our suppliers have to indicate the tracing data used by them in the composite GS1-128 barcode symbol by product type. This allows for greatly improving the efficiency of goods handling in all logistic processes.

One of the especially important characteristics of the GS1-128 barcode is that, in addition to the GTIN identification number for the product (AI(01) or AI(02)), the use of data content identifiers (AI) allows for indicating other supplementary product information such as:

- subject to product type: consume before AI (17) or best before date AI (15) or date of packaging AI (13)
- production batch number AI (10)
- for goods measured by weight, the net nominal weight AI (310x),
- for incorporated products ("not measured by weight"), the quantity of goods contained AI (37)
- for bulk fruit and vegetable products, the country of origin of the commercial goods AI (422)<sup>2</sup>

GS1 Data content identifiers (AIs) allow for joining several different pieces of information in a structured manner and depicting them in a single barcode symbol. Data content identifiers are two-, three- or four-digit codes that clearly define the contents and format of the information that follows them.

GS1 Data content identifiers may have variable or fixed length. When setting the order of element strings (data content identifier+data=element string), it is recommended to use the fixed-length data content identifiers first and the variable-length data content identifiers afterwards. This allows for avoiding the massive use of switch characters that further increase the physical size of the barcode symbol.  
*Explanation for the data content identifiers to be indicated:*

- (17) consume before date, (15) best before date

In the code: (17)140724 - means that the consume before date for the product is 24 July 2014.

It shall always be specified in six numerical characters: In YYMMDD format (year, month, day).

- (10) Production batch number

It is a serial number consisting of maximum 20 alphanumeric characters - comprising letters, numbers, special characters -, which may be the production batch number, shift number, machine number, time, internal production code, etc.

- (310X): (needs to be encoded only for products to be measured)

Expresses the net nominal quantity in mass that a buyer receives in the given packaging in retail under normal conditions.

Character type: numeric

Length: 6 characters

Interpretation: kilogram

The magnitude is expressed by the number in the place of X as 10 to a negative power

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<sup>2</sup>Further information on the products concerned is available from fruit and vegetables purchasing.

**Example:**

Expressing a net weight of 250 g.  $250 \text{ g} = 0.25 \text{ kg} = 25 \times 10^{-2} \text{ kg}$ , therefore:

(3102)000025 or (3103)00250

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Other examples:

(3103)002512 = 2.512 kg

(3101)000005 = 0.5 kg

*Article identification may be done by:*

- (AI01): Global Trade Item Number (GTIN).

*Indicator number:*

Identification number of a product representing a higher level of packaging than the basic product, to be generated by applying the GTIN-14 identification number, the first character of which is an indicator number.

The indicator number serves to distinguish between levels of packaging on the one hand, and products of a fixed versus of a variable quantity.

- It may be between 0 and 8 for fixed-quantity products. In the event that products at different levels of hierarchy have their own unique and independent GTIN-13 identifiers, the simplest way to generate GTIN-14 is by applying indicator number 0 to the GTIN-13.
- It is 9 for identifying products of a variable quantity

*GS1 Company prefix:*

The first three digits: **country code** (which does not mean that the unit was produced in the country where it has been encoded).

Problems with clear reading of the GS1-128 barcode symbol:

- Barcodes impossible to read due to burned thermal head
- Barcode is wrinkled
- Barcode is wet
- It is shiny or brilliant
- It is not adhered to a smooth surface
- It is damaged
- Poor printing quality, e.g. low printer toner
- Barcode is too dense
- Not sufficient white space next to the barcode
- Not sufficient contrast between light and dark lines. (Barcode readers/scanners work by measuring the light reflected, there needs to be a significant contrast between dark and light lines)
- **Barcodes need to be stuck on salami sticks lengthwise**, as they cannot be read if stuck across the salami (Barcodes shall be pasted in parallel with the axis)

- Barcodes for more than one products are stuck on the same crate or box.  
**There may be only one label on one packaging!**

Once you have a GS1-128 barcode, the **barcodes for** each newly listed **product delivered to SPAR's logistic centers shall be submitted to the EAN coordinator for verification and registration**, at least 3 workdays prior to the day when the goods arrive.

## 5.2 Information related to the placement and dimensions of GS1-128 codes

**Module size** (width of the thinnest line (and space) [mm]):

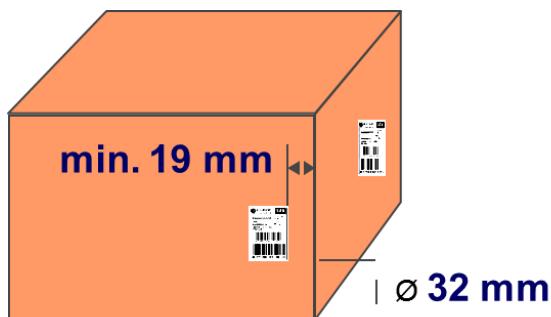
- Minimum: 0.495 mm
- Maximum: 1.016 mm

**Minimum line height:** 32 mm

**Placement of composite label:** Two labels shall be pasted (or printed) on adjacent sides of the packaging (on a short side and the longer side to the right of that short side).

**For packaging units lower than 1 m (except for pallets)**

the bottom edge of the barcode shall be 32 mm from the packaging base, and at least 19 mm from vertical edges.



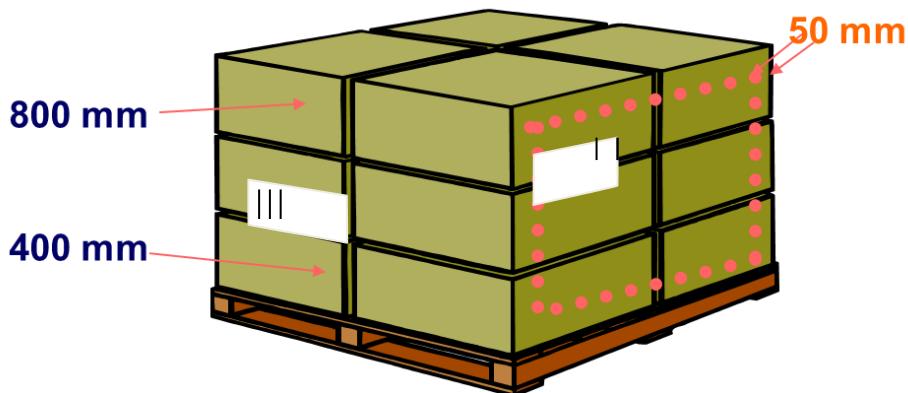
**Placement of logistics label:** Two labels shall be pasted (or printed) on adjacent sides of the packaging (on a short side and the longer side to the right of that short side).

**For units exceeding a height of 1 m:**

The symbol may be placed between a height of 400 mm to 800 mm calculated from the base. The distance from vertical edges may not be less than 50 mm.

**For packaging units lower than 1 m:**

As high as possible, but no higher than 800 mm from the base edge



### 5.3 Information related to stack identification label

SPAR demands that stacks are identified with a GS1-128 stack identification label as well.

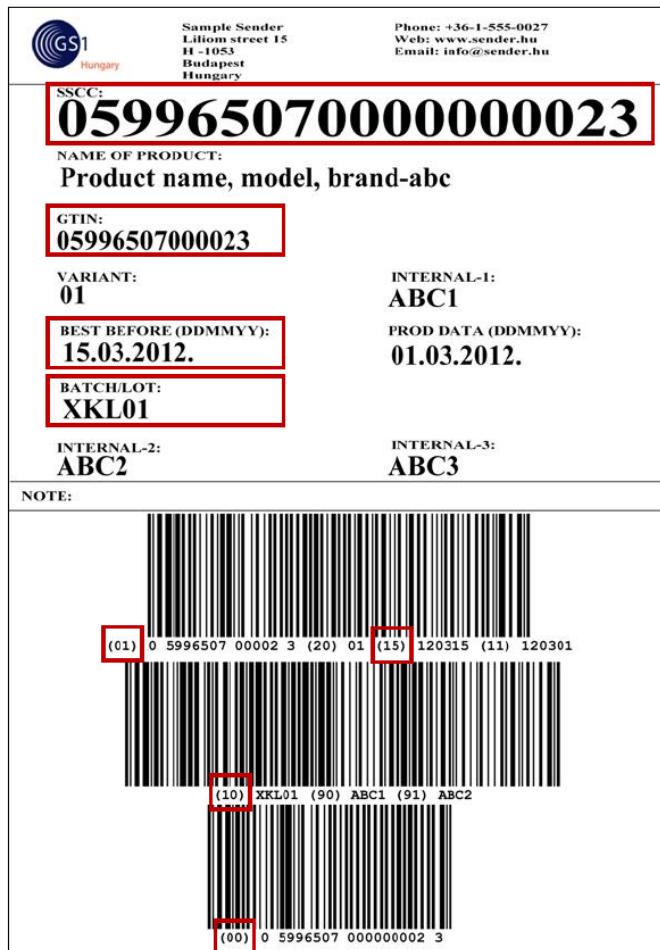
Data content:

- AI (00): SSCC – unambiguous identification of the stack containing 18 characters
- AI (01) GTIN number of the product
- AI(15) best before time, consists of 6 numeric characters, YYMMDD
- AI(17) consume before time, consists of 6 numeric characters, YYMMDD
- AI (10) production batch number (lot number)
- AI (37) Number of trade items (for variable-quantity trade items), containing 8 numeric characters of variable length
- AI (310X): Net weight, kilogram (for variable-quantity commercial goods): consists of 6 numeric characters

Label format (recommended):

- DIN A5 210 x 148 mm (height x width)
- DIN A6 148 x 105 mm (height x width)

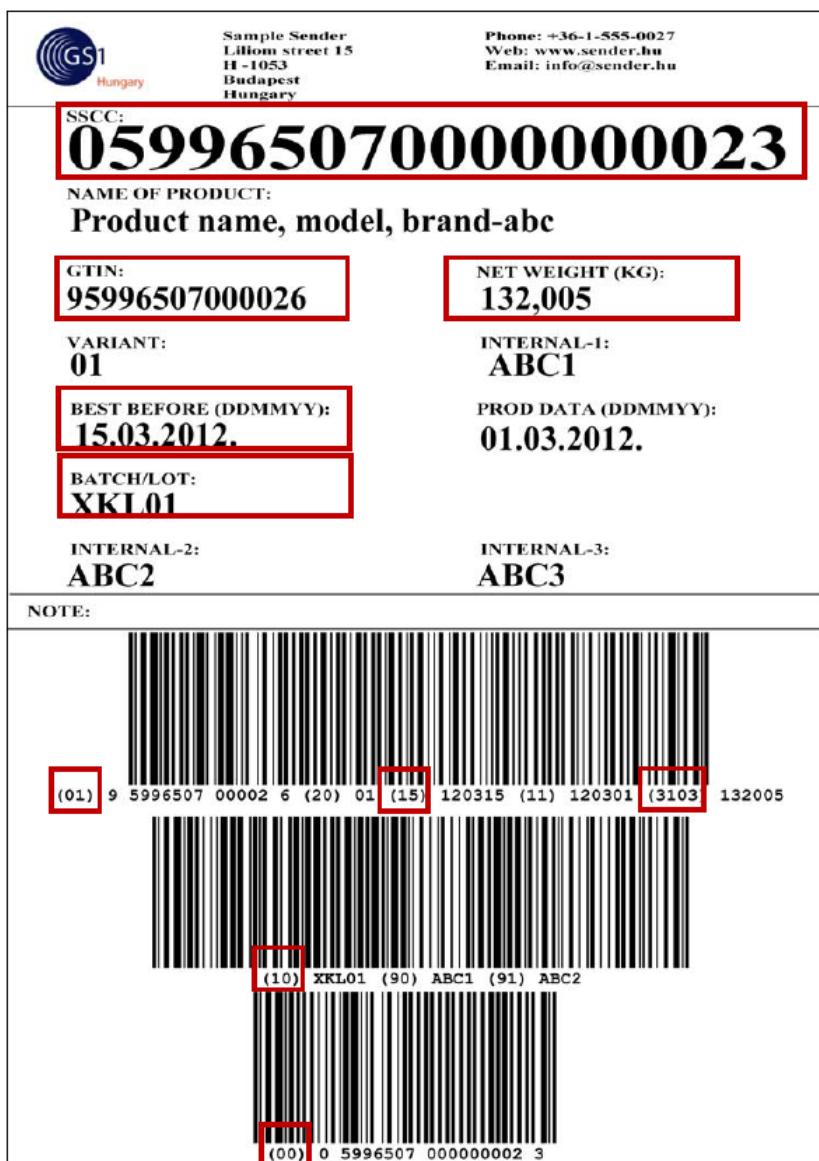
## Example 1:



Marking of fixed quantity of homogenous units - AI (01)



Example 2:

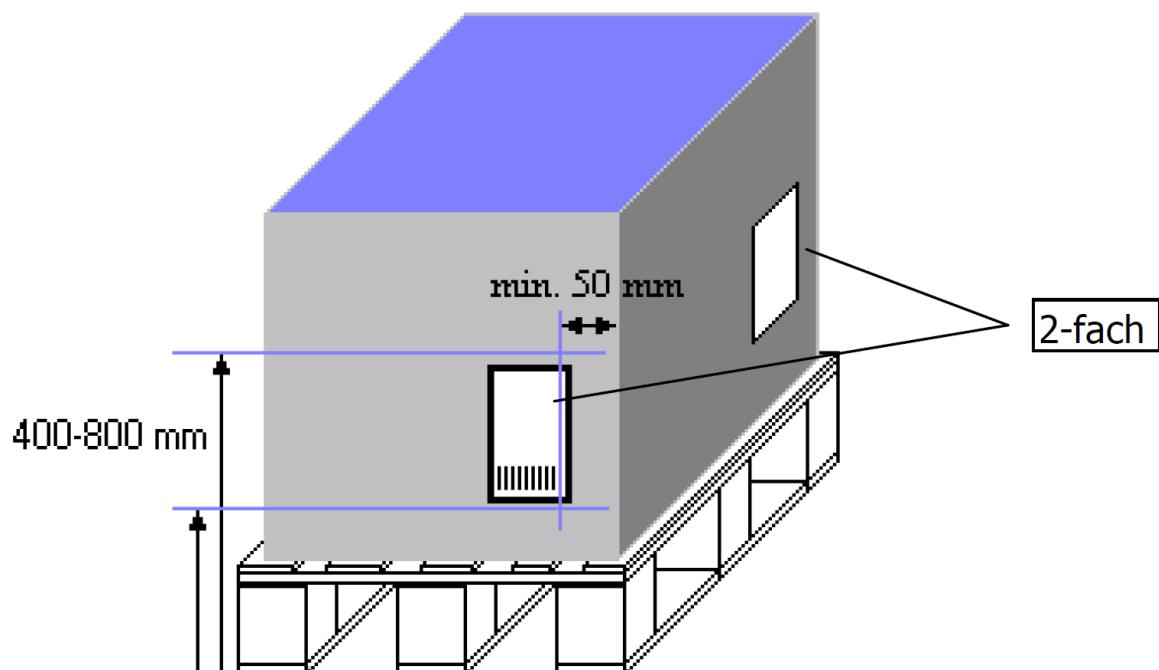


Marking of variable quantity of homogenous units - AI (01)

When placing the stack identification labels, the following criteria shall be observed:

- at a height of 400 to 800 mm from the ground\*
- at least 50 mm from the edges
- they shall be placed on all four sides of the stacks (while this departs from the placement on two sides envisaged by the standard, it accelerates goods acceptance by eliminating the need for turning stacks around when unloading)

\* For low stacks, the text part may be folded on top of the products in a way so that the barcode part remains on the stack side, horizontal, and readable.



## 6 Electronic data interchange

SPAR offers an opportunity for electronic data interchange for its partners. This includes EDI orders, electronic delivery notes (DESADV), reports on the acceptance of goods (RECADV) and electronic billing.

Special attention is paid to electronic delivery notes in the central warehouses, which allow for more accurately planning and executing the acceptance of goods. This results in shorter waiting times upon acceptance.

This is why we offer an opportunity for our partners to benefit from electronic delivery notes in line with the standard currently valid (hierarchic DESADV including SSCC code).

Further information on the benefits, data contents and use of DESADV messages is available from:

Gábor Kerkai

[kerkai.gabor@spar.hu](mailto:kerkai.gabor@spar.hu)

## 7 Contact information

### 7.1 Addresses of logistic centers

2060 Bicske, Spar út

0326/1. hrsz.

2225 Üllő, Zsaróka út

3664/19. hrsz

Central phone number: +36-20/823-7000

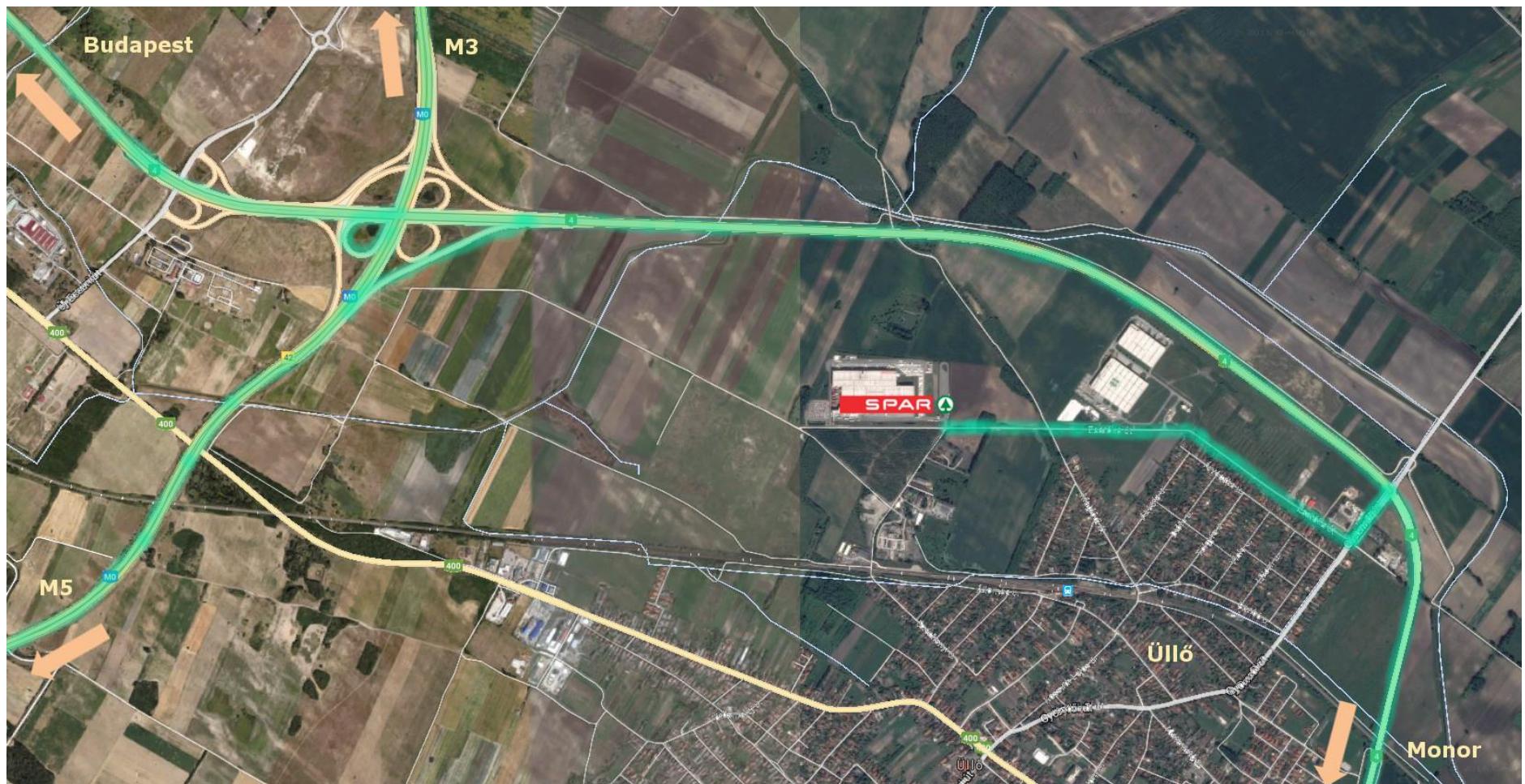
## 7.2 Delivery routes

When delivering goods, suppliers shall ensure that they disturb the local population to the smallest extent possible when approaching logistic centers. The maps below help you with this. You are kindly requested to use the routes marked in green.

Bicske:



Üllő:



## 7.3 Warehouse contact information

Please **do not use** the contact details provided below to **inquire about the time for accepting shipments** that have already arrived, as this reduces the efficiency of our staff.

| <b>Acceptance of dry goods</b>  |   |
|---|---|
| Phone: +36-20/823-8535 (Bicske)   | Phone: +36-20/823-8688 (Üllő)   |
| <b>Acceptance of fresh goods</b>  |   |
| Phone: +36-20/823-8536 (Bicske)   | Phone: +36-20/823-7719 (Üllő)   |
| <b>Acceptance of fruits and vegetables</b>  |   |
| Phone: +36-20/823-8538 (Bicske)   | Phone: +36-20/823-7720 (Üllő)   |
| <b>Acceptance of poultry</b>  |   |
| Phone: +36-20/823-9622 (Bicske)   | Phone: +36-20/823-7718 (Üllő)   |
| <b>Acceptance of frozen goods</b>   |   |
| -   | Phone: +36-20/823-7723 (Üllő)   |
| <b>Packaging warehouse</b>  |   |
| Phone: +36-20/823-8537 (Bicske)   | Phone: +36-20/823-7716 (Üllő)   |
| <b>EAN coordinators</b>   |   |
| Zsuzsanna Szegedi<br>Fresh goods, fruits and vegetables<br>Phone: +36-20/823-7157<br><a href="mailto:Szegedi.Zsuzsanna@spar.hu">Szegedi.Zsuzsanna@spar.hu</a> | Péter Csaba<br>Dry goods, frozen and poultry products<br>Phone: +36-20/823-8690<br><a href="mailto:Csaba.Peter@spar.hu">Csaba.Peter@spar.hu</a> |

## 7.4 Other contact information

| <b>Dry goods, frozen goods time window - Mercareon</b>  |   |
|---|---|
| Phone: +36-1/700-8950<br>Fax: +48-12/631-2099<br>E-Mail: <a href="mailto:support.hu@mercaren.com">support.hu@mercaren.com</a> | E-Mail: <a href="mailto:mercarenon@spar.hu">mercarenon@spar.hu</a>            |
| <b>Fresh goods, fruits and vegetables, poultry time window</b>  |   |
| E-Mail: <a href="mailto:idokapu-bicske@spar.hu">idokapu-bicske@spar.hu</a> (Bicske)   | E-Mail: <a href="mailto:idokapu-ullo@spar.hu">idokapu-ullo@spar.hu</a> (Üllő) |
| <b>Electronic delivery note</b>   |   |
| Gábor Kerkai<br>E-Mail: <a href="mailto:kerkai.gabor@spar.hu">kerkai.gabor@spar.hu</a><br>(Logistics)                         |   |

## 8 Change tracking

| <b>Version number</b> | <b>Date</b> | <b>Change</b>   |
|-----------------------|-------------|---|
| 1.0 – 6.5             | -           | Internal versions   |
| 6.6.                  | 11.09.2014  | First issue   |
| 6.7.                  | 08.05.2015  | Clarification of requirements concerning dollies (2.7)  |
| 6.8.                  | 14.07.2015  | <p>Updating of requirements for marking composite cardboard boxes for products with no best before/consume before dates (2.1)</p> <p>New section: Acceptance of frozen goods 2.5</p> <p>New section: EKÁER (2.8)</p> <p>Clarification of requirements concerning dollies (2.9)</p> <p>Updating of hygiene and product safety requirements (3.7, 3.8, 4.3)</p> <p>Clarification of time window rules (3.4, 3.9)</p> <p>RECADV (6)</p>  |
| 6.9.                  | 16.12.2016  | <p>Updating of general requirements: product samples (2.1)</p> <p>Updating of opening hours for acceptance of goods (2.2)</p> <p>Updating of entry rules: entry card (3.2)</p> <p>Updating of requirements for crates (3.7)</p> <p>Change in handling CD3 deliveries (3.9)</p> <p>Clarification of conditions for return goods (3.10)</p> <p>Updating of chapters on barcodes based on recommendations from GS1 Magyarország (2.4, 2.7, 3.1, 5)</p> <p>New chapter: Delivery routes (7.2)</p> |
| 7.0.                  | 23.11.2017  | <p>Clarification on the crate type for poultry assortment (2.4)</p> <p>Deletion of the use of half-dolly, clarification to the interpretation of the display weight limit (2.9)</p> <p>Description of the use of transparent film (3.8)</p> <p>Clarification of the use of CD3 time windows (3.9)</p> <p>Updating of information related to the marking of goods (5)</p> <p>Modification of the requirements for placement of logistics label (5.3)</p>                                       |

| <b>Version number</b> | <b>Date</b> | <b>Change</b>   |
|-----------------------|-------------|---|
| 7.1.                  | 11.01.2019  | <p>Updating of general requirements: Load-bearing capacity of Bicske scaffolds (2.1, 3.7, 3.8)</p> <p>Clarification of the obligation to report changes in stack factors (2.1)</p> <p>Clarification of requirements concerning stack summaries (2.1)</p> <p>Highlighting of hygiene requirements to observe in delivering small shipping quantities (2.1)</p> <p>Updating of opening hours for fresh goods in Bicske (2.2)</p> <p>Inclusion of reference to specifications (2.6)</p> <p>Updating of chapter on best before dates (2.1, 2.7)</p> <p>Reference to standard on the external marking of displays (2.9)</p> <p>Clarification of handling of deliveries made earlier than expected (3.3)</p> <p>Clarification of indicating delays (3.4)</p> <p>Addition of warning about forklift traffic (3.5)</p> <p>Clarification of the procedure for handling one-way pallets (3.7)</p> <p>Weight marking of poultry and meat products (5)</p> <p>Updating of warehouse contact information (7.3)</p> |