



Supply Chain Guideline of Hoffmann Supply Chain GmbH

Version 1.6



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Abbreviations

HSC	Hoffmann Supply Chain GmbH
EDI	Electronic data interchange
EDP	Electronic data processing
EPAL	European Pallet Association e.V.
LOP	List of open points
PS	Packaging specifications
GR	Goods receipt
SN	Shipping notification
GP	Global planning
SSA	Supplier self-assessment
CMR	International consignment note for land transport
PDT	Planned delivery time
OCR	Optical character recognition
ADR	EU agreement concerning the carriage of dangerous goods by road
KPI	Key performance indicator
SRM	Supplier relationship management

1. Introduction

The Hoffmann Group has consistently evolved over the past 100 years. It has adapted to changing market conditions, anticipated new trends, and launched innovative products and services. As a partner to industry, the Hoffmann Group continues to grow and develop, while remaining ever true to itself in spite of all the change. It has been helping to boost the productivity of its customers worldwide since 1919. The Hoffmann Group works continuously to be able to offer its customers even more high-performance products and services.

In order to meet this demand every day in dynamic market environments, we need the support and cooperation of all our suppliers. Our common goal is continuing to exceed the growing expectations of our customers. This Supply Chain Guideline for our suppliers describes our expectations of our suppliers to ensure a top-quality cooperation.

1.1. Scope

This Supply Chain Guideline applies until revoked for all procurement processes of Hoffmann Supply Chain GmbH and affiliated companies (hereinafter referred to as HSC). It replaces the previous logistics guidelines of the Hoffmann Group with immediate effect. It shall apply in addition to other contract documents concluded with HSC. Specifically, this is the supplier contract with its components: condition agreements, Hoffmann General Terms and Conditions of Purchase as well as further provisions (e.g. Guidelines for CE conformity, trademark licensing agreement, supplier code of conduct).

1.2. Expectations of Hoffmann Supply Chain GmbH

- Delivery of our orders in the right amount and on the right date.
- Compliance with transport regulations and all legal regulations in freight transport.
- Compliance with packaging specifications.
- Pro-active and targeted communication and information flow in the event of delivery problems.
- An EDI connection for the receipt and transmission of documents and necessary information.
- The same aspiration for top-quality cooperation.

HSC expects suppliers to behave in accordance with the principles of the Hoffmann Group Code of Conduct for suppliers. This Code Of Conduct is attached to the supplier contract as Appendix f).

Similarly, we expect our suppliers to comply with the requirements of this Code of Conduct and to take appropriate measures to ensure that their employees are aware of and comply with its minimum requirements.

Wolfgang Bremer
Vice President Supply Chain

Munich, November 2022

2. Communication

The basis for the cooperation is fast and smooth communication between HSC and its partners. Timely, unsolicited and targeted communication of all changes and effects on the supply relationship is a prerequisite on both sides.

2.1. Supplier contact persons

The supplier shall inform HSC of the relevant operational contact persons for logistics, quality and procurement, who are available to answer all questions. Using the Hoffmann SRM portal is recommended for this. In the event of absences, representatives must be designated and communicated.

In the event of changes to the contact persons, the supplier shall immediately submit an update of this data to the applicable Hoffmann contact persons and update the relevant information in the Hoffmann SRM portal.

2.2. Availability

In order to guarantee communication, the supplier must be available through its designated contact person on work days, taking into account local bank holidays, during the core period from 8:00 to 16:00 (CET).

Outside of the above-mentioned time window (or in the event of closures), the supplier must ensure telephone availability for serious topics. In the event of persistent problems (e.g.: delivery delays or variations in quality), the supplier must allow, after prior agreement, for an audit to be carried out. HSC grants the supplier 14 days' notice in total.

2.3. Reporting obligation of the supplier

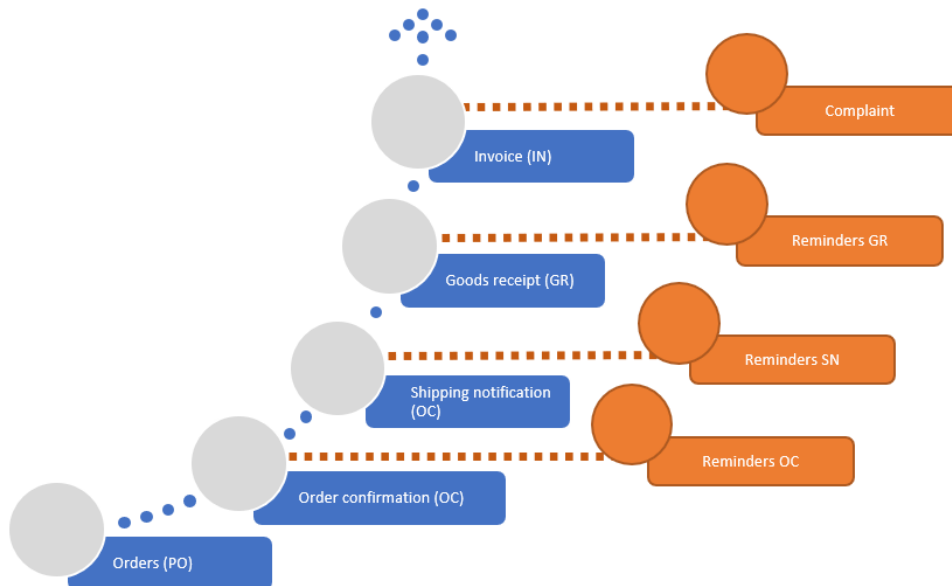
Reporting obligation of the supplier The supplier is obligated to communicate production or supply interruptions in a timely manner to operational purchasing (HSC) and to adopt appropriate measures to ensure supply to HSC. The supplier is also obliged to inform HSC without undue delay of any changes in circumstances that will probably affect its ability to adhere to the agreed delivery date. The same applies if the supplier becomes aware of any damage in transit, product deviations or other claims for damages in relation to the delivery of the contract products. The supplier is obliged to communicate major changes in the organisation or the manufacturing process of a product to HSC as soon as possible. These include, in particular, the loss or wilful expiry of a certification (e.g.: 9001/9100), relocation of the production facility or a contract award to subcontractors / external service providers.

HSC reserves the right to demand remedial measures in line with the case at hand. Remedial measures, unless otherwise required, shall be determined by the supplier and implemented in the supplier's organisation. A case is deemed to be concluded when the remedial measures have been implemented and are verified by supplier development (HSC) and found to be good. Inadequate remedial measures or those that are not implemented lead to a negative supplier evaluation.

3. Ordering process

3.1. Ordering procedure

The following illustration depicts the standard ordering procedure. The orange fields are listed to ensure completeness only and do not meet HSC's expectations of a supplier.



3.2. Planned delivery times

Binding planned delivery times (PLD) must be specified by the supplier for each item or commodity group and are the basis for the ordering process. The planned delivery times are the basis for the ordering processes between suppliers and HSC in section 3.3

Planned delivery times are agreed as part of the contract agreement or when new items are added to the Hoffmann Group range. Every offer for materials has to include a binding delivery time.

3.3. Orders and delivery date

HSC sends its orders via the defined transmission process for each supplier, whereby HSC distinguishes between three different order types:

- Standard orders, warehouse, HSC
- Ramp-type order, warehouse, HSC
- Third-party orders, end customer, HSC

The delivery date of a normal order refers to delivery to the delivery place defined in the order, regardless of the agreed Incoterms' fulfilment location. The delivery date is calculated on the basis of the planned delivery time agreed upon between the supplier and HSC. In section 5.2.1, "Requested delivery reliability", it is referred to as the requested date of delivery.

3.4. Review of orders and order confirmation

Upon receipt of the order, the supplier shall conduct a thorough inspection of the order according to the item, quantity, requested delivery date and, if necessary, further specifications. The supplier shall report to HSC independently if it has doubts about the correctness of the submitted order.

After successful verification, the supplier then sends an order confirmation to HSC within 3 working days. In this, the delivery date shall be indicated at the place of delivery, unless otherwise requested by Hoffmann. The start of the period for the required order confirmation is the next working day, taking into account a five-day week (Monday to Friday).

If no response is received within the period, the order is deemed to be accepted on the basis of the defined planned delivery times or on the basis of an individual offer. However, this does not release the supplier from sending an order confirmation to HSC.

A delayed order confirmation shall be deemed to be a new offer by the supplier to conclude a purchase order and requires HSC's acceptance; the same applies if the order confirmation deviates in any way from the order (e.g. regarding the delivery quantity, delivery terms, product specifications, or price).

Reminders are sent to the supplier by HSC concerning order confirmations that are not delivered on time and are included in the supplier evaluation.

HSC prefers the use of an EDI connection for the transmission of orders and order confirmations. Technical requirements and solutions can be exchanged on request. For this purpose, please contact the following e-mail: supplier-development@hoffmann-group.com.

If the technical capabilities are not present for this yet, this message can also be sent as a PDF for the order confirmation. The necessary contents according to the template in section 6.1 must be observed. It must be sent to the e-mail address of the relevant appointment planner.

3.5. Shipping notification

The supplier is obliged to send a shipping notification to HSC when the goods are dispatched. HSC considers sending of the shipping notification as confirmation that the goods have been handed over from the supplier to the forwarding agent and are in transit to HSC or to the customer.

The date of dispatch and delivery of the shipping notification must refer to the order and the order confirmation. A different delivery date and different quantities for the order are only accepted if these have been agreed with HSC and released before shipping.

The shipping notification is required by HSC for automated and expedited goods receipt. In case of incorrect or incomplete shipping notifications or shipping notifications that have not been sent, delays and additional expenses may occur at the HSC logistics centre. HSC reserves the right to further charge additional expenses caused by the supplier.

A shipping notification should be sent via EDI in EDIFACT with the standard message DESADV. Exact specifications for the EDI connection are provided on request (supplier-development@hoffmann-group.com). If the technical capabilities are not present for this yet, this message can also be sent as a PDF for the delivery note. The necessary contents according to the template in section 6.2 must be observed. It must be sent to the following e-mail address:

LC-Yardmanagement@hoffmann-group.com

3.6. Goods receipt

Upon receipt of the owed service, a visual inspection for completeness and whether the individual packages match up is carried out within the HSC goods receipt process. Goods are stored based on the data recorded on the delivery note. It also checks for defects that are visible without removing the packaging. HSC is not obliged to carry out further investigations upon receipt of the products.

If defects are found during the goods receipt process, HSC is obliged to provide notification of this within the period agreed in the General Terms and Conditions of Purchase.

In the case of defects that were not apparent or not recognisable within the scope of a normal goods receipt inspection, HSC shall notify the supplier immediately after they have been determined in accordance with the conditions of the proper course of business. HSC reserves the right to carry out a more advanced goods receipt inspection and random checks of the contents if this appears advisable.

To avoid costs in the course of supplementary performance as much as possible, the checklist on p.30 should be used. If HSC reports a defect to the supplier, they are obliged to cooperate in remedial and optimisation measures.

3.7. Invoice

When creating invoices to HSC, the following points must be observed in order to ensure the fastest possible processing. In addition, the necessary content must be included in accordance with the template in section 6.3.

- Invoices are only to be sent as PDF to MM_INV@hoffmann-group.com
- The font type for the invoice must be selected according to regulations for OCR/text recognition (see e.g. ISO 1073-2); a handwritten invoice is not permitted.
- Only one order may be compiled in an invoice; a combination of several orders on one invoice is not allowed.

Differing invoices may lead to delays in processing and payment.

If the supplier fails to comply with these requirements for a proper invoice, HSC reserves the right to pay the invoice even after the expiry of the discount period with the agreed discount conditions.

By creating and sending defect reports to the supplier, the issue is still in the clarification process for HSC due to a detected defect in the delivery during the goods receipt. Until final clarification, HSC automatically objects to associated invoices for the affected scope of delivery.

Faults in invoice creation, which are to be attributed to such causes, are also included in the supplier evaluation (see section 5).

4. Deliveries at Hoffmann Supply Chain GmbH

For each material number, the supplier is obliged to deliver the (1) quantity called up, (2) at the correct time, (3) in the prescribed packaging, (4) in the required quality, and (5) to the correct unloading point.

The delivery date shall be determined by the arrival of the delivery at the respective place of delivery according to the order. The supplier is not entitled to deliver the contract products prior to the agreed delivery date without the consent of HSC. In the event of premature delivery, HSC is entitled to reject the goods or, if it accepts the goods, to invoice the supplier for the cost of receiving and storing the goods. In any event, the purchase price shall not fall due before the agreed due date.

4.1. Delivery & goods receiving

4.1.1. Prior notification of large deliveries

In the following cases, notification of the goods **at least 3 days before delivery** to the specified contact is mandatory:

- Delivery over 1.5 t per loading aid and/or
- more than 15 loading aids

LC Nuremberg / Yard Management

e-mail: lc-yardmanagement@hoffmann-group.com

Tel.: +49 911 6581-6123

BeC Odelzhausen

e-mail: LieferavisBE@hoffmann-group.com

Tel.: +49 8134 5531-2001

4.1.2. Unloading and goods receiving times

Goods are delivered to HSC at the following delivery address:

Hoffmann Supply Chain GmbH

LogisticCity, Zufahrt 2

Poststraße 15

90471 Nuremberg

The following delivery address applies for workstations and storage:

Hoffmann Supply Chain GmbH

Odelzhausen workstations and storage centre

Carl-von-Linde-Straße 1

85235 Odelzhausen

In the LogisticCity Nuremberg, only rear unloading is possible as a rule. Sideways unloading is only to be carried out for oversized workstations and storage and delivery in the Odelzhausen workstations and storage centre.

Goods receiving times are work days:

Monday – Friday, 08:00 – 12:00 and 13:00 – 15:00

Deliveries outside the goods receiving times are not possible. On bank holidays, no goods will be received. If different delivery addresses and goods receiving times are necessary in individual cases, these will be communicated in advance.

4.2. Accompanying documents

4.2.1. Consignment note

For all deliveries to HSC, a consignment note according to Section 408 (1) HGB must be prepared, irrespective of the transport mode. The consignment note must contain the following mandatory information:

- Carrier (name, address, country)
- Name and address of the sender
- The name and address of the recipient and any registered address;
- Description of the load, if necessary according to the dangerous goods regulations
- Reference numbers of the packages
- Total number of packages
- Type of loading aid / packaging
- Gross weight per package in kg
- Total weight of all packages

4.2.2. Delivery note

The sender must prepare delivery notes in accordance with DIN 4991 or ISO 6422, UNTDED, see template in section 6.2. The delivery notes must be affixed to the delivery in a delivery note bag in a clearly visible way in a simple design. In the event that the mandatory external delivery note is lost during transport, it is recommended to include an additional copy of the delivery note in the package.

In the case of package dispatch (e.g. DPD, UPS, DHL, etc.), this must be attached on top of the outer packaging so it is immediately visible.




4.3. Identification and labelling

Each delivery to HSC must be clearly labelled and accompanied with supporting documents to enable an expedited, automated and hassle-free logistics process. For this purpose, all components of a delivery starting from the item, packaging, outer packaging and pallet must be labelled consistently and logically. A consolidated packing list with information on the contents shall be affixed to pallets, containers or outer packaging. The information in the packing list must be based on the delivery note and must ensure quick and unambiguous assignment within a delivery. For deliveries made up of multiple pallets, containers and/or outer packaging, a consolidated delivery note for the consignment must be drawn up; this enables rapid and unambiguous recording, processing and checking of the delivery.

4.3.1. Labelling

All tools and individual items such as containers must be able to be recorded by standardized labels. These must be uniformly affixed to a flat surface so that they can be registered by the barcode reader. The goods must be placed on the load carrier or in the packaging material in such a way that immediate identification is possible.

The following is an overview of the labelling methods and label types:

 	Legend	Individual packaging/ product	Container/outer packaging
	Barcode	Hoffmann Group barcode (GTIN-13)	Hoffmann Group barcode (GTIN-13) Individual GTIN-13 per container!
	Article number	Hoffmann Group article number	Hoffmann Group article number
	Layout	GARANT / HOLEX	GARANT / HOLEX
	Company address	Hoffmann Supply Chain GmbH Poststraße 15 90471 Nuremberg, Germany	Hoffmann Supply Chain GmbH Poststraße 15 90471 Nuremberg, Germany
	Product designation	Hoffmann Group article designation	Hoffmann Group article designation
	Quantity	Quantity & unit (Quantity & piece/pair/pack/set)	Quantity & unit, single piece (Quantity & piece/pair/pack/set)
<p>You can find all guidelines regarding corporate design for GARANT and HOLEX at: http://ho7.eu/labels Or via the relevant product management.</p>			
	Legend	Individual packaging/ product	Container/outer packaging
	Barcode	Manufacturer barcode (GTIN-13)	Manufacturer barcode (GTIN-13)
	Article number	Hoffmann Group article number and/or manufacturer article number	Hoffmann Group article number and/or manufacturer article number
	Layout	blank; <u>no</u> Hoffmann Group logo	blank; <u>no</u> Hoffmann Group logo
	Product designation	Hoffmann Group article designation and/or manufacturer article designation	Hoffmann Group article designation and/or manufacturer article designation
	Quantity	Quantity & unit (quantity & piece/pair/pack/set)	Quantity & unit, single piece (quantity & piece/pair/pack/set)

For items with a conditional service life, the product must also include the date of manufacture or expiration date.

4.3.2. Barcode symbologies

All goods and documents delivered to HSC are scanned during collection and subsequent handling. A prerequisite for this is that a cleanly printed barcode is attached. The following types can be used but 1D codes are preferred:

1D codes:

- GTIN
- UPC
- Code 128



2D codes:

- Data matrix
- MaxiCode
- Aztec
- QR code



4.4. Packaging requirements

Irrespective of the separately agreed purchasing and delivery conditions, the following packaging specifications must be strictly adhered to for all deliveries to HSC. Furthermore, the supplier is obliged to comply with additional legal regulations, standards and the state of the art.

- The supplier is obliged to design the packaging in such a way that damage to the goods is excluded.
- All packaging must be designed in such a way that it is not possible at any time for the goods to fall out or to reach in from the outside.
- Packaging has sufficient stability for stacking.
- Cardboard boxes must be suitable for transport on a fully automatic conveyor system.
- Items that are oiled or lubricated must also be packed in such a way that contamination or damage to both the packaging and items that come into contact with this is prevented.
- When designing the packaging, use recyclable materials where possible and use minimal plastics.
- In the case of the use of outer packaging, the packaging must be designed in such a way that the goods can be removed without any problems.
- Depending on the quantity delivered, goods/articles are to be packed **unmixed according to type** in bags, boxes or Europallets and marked with the relevant details on contents and quantities.
- If packed in bags, they may also be packed together into cardboard packaging, if the cardboard packaging is marked with a note such as "Mixed Carton".
- The GTIN, size and weight of the pack units must be reported to HSC prior to the first delivery.
- Bulk material is not accepted.
- Goods with any accessories or components, such as operating instructions, test reports, certificates, assembly instructions, etc. must be packed in such a way that they are firmly connected to the goods.

4.4.1. Transport security

All transport units must be packed securely for transport by the supplier so that the load remains undamaged even in the event of emergency braking and/or sudden swerving etc.

In addition, the following aids must be used:

- Packaging paper (overall, maximum padding structure)
- Screwed-up paper
- Adhesive tape
- Strapping (no steel strapping)
- Stretch film (pallet must be free of film)

The use of packing chips of any kind is not permitted!

The supplier undertakes to train its employees commissioned with loading according to the current state of the art (e.g. VDI 2700a) and provide proof of this upon request.

4.4.2. Means of transport – packages (CEP delivery service)

CEP deliveries (courier, express and parcel service) are collected via fully automatic conveyor technology. In order to ensure that the procedure is error-free, the following points must be observed. Furthermore, the supplier undertakes to comply with all statutory regulations and the current state of the art.

- Deliveries of 10 packages or more and/or from 200 kg total weight and packages from 31.5 kg must be delivered on pallet, by forwarding agent.
- Maximum dimensions per package is 800 mm x 590 mm x 610 mm (L x W x H).
- Maximum weight per package is 31.5 kg.
- To optimize the use of automated conveyor technology, we request that every package has the following minimum dimensions: 240mm x 156mm x 70mm (L x W x H). Letters are exempt from this.
- Each package must have a shipping label (address label) with the following information:
 - Sender
 - Recipient
 - Numbering in relation to the total number of all packages per delivery (package x of y)
 - NVE/SSCC number as 1D or 2D code

4.4.3. Means of transport – pallets (shipping delivery)

The HSC logistics centre is designed for storage on Europallets. In order to be able to collect the goods as quickly as possible, the following points must be observed. Furthermore, the supplier is obliged to comply with all statutory regulations.

- Delivery may only be made on Europallets. These must comply with quality class A or B according to DIN EN 13698-1.
- Exceptions to Europallets can only be authorised for imports from countries outside Europe and must be approved in advance by HSC. The design and dimensions of these replacement pallets must be identical to a Europallet.
- According to ISPM15, means of transport must not be sprayed with methyl bromide (MB). Alternatives are heat treatment (HT) or technical drying.
- The weight of the items must be evenly distributed on the pallet. If this is not possible, the centre of gravity of the pallet must be clearly marked.
- The maximum load height including the loading aid is 2,000mm, excluding workstations and storage. For hazardous materials (unmixed pallets) the maximum load height including the loading aid is 900mm.
- The maximum load weight incl. pallet is 975kg.
- Goods must not protrude beyond the base area of the pallet.
- The maximum tilting of the load, relative to the pallet, is 10 mm on all sides.
- Pallets must be unloaded without any problems by a forklift truck.
- Transport with pallet truck must be possible.
- Each pallet must have a shipping label (address label) with the following information:
 - Sender
 - Recipient
 - Numbering in relation to the total number of all pallets in the delivery (pallet x of y)
 - NVE/SSCC number as 1D or 2D code

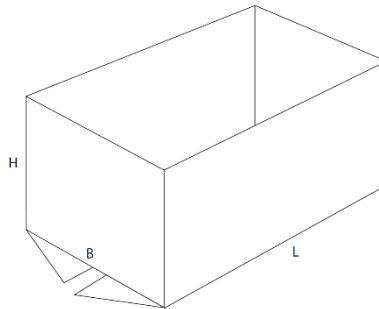
4.4.4. Unmixed packaging / modular cardboard box

In order to implement standardised and efficient processing in goods receipt, unmixed packaging per article is necessary. The use of modular cardboard boxes is ideal for this.

The following must be complied with:

Up to 12.5 kg gross, the external dimensions 350x250x200 (LxWxH in mm) per modular cardboard box may not be exceeded.

Up to 25 kg gross, the external dimensions 500x350x200 (LxWxH in mm) per modular cardboard box may not be exceeded.



- The specified dimensions must not be exceeded
- The maximum gross weights per modular cardboard box must not be exceeded
- Only corrugated cardboard boxes with a wall thickness of min. 3 mm may be used
- The use of filling material is not permitted
- No strapping should be applied

Use of order picking robots:

Order picking robots are used to pick the goods. Therefore when filling the boxes make sure that the goods are placed with the flat surface (min. 50 mm x 50 mm) facing upwards so that the articles can be suctioned.

4.4.5. Ramp-type orders or cross docking

Ramp-type jobs from HSC customers are processed as cross docking orders to suppliers. These types of cross docking orders (order numbers starting at 48...) will be shipped directly to the end customer after acceptance in the LogisticCity. In order to keep throughput times as low as possible, separate provision and processing is required.

For this purpose, the orders must be prepared as follows:

- Cross-docking goods must be clearly marked and packed separately from the warehouse goods
- The goods must be packed according to the order and the corresponding delivery note must be clearly displayed.
- The package is clearly visible and marked with the addition "Cross Docking" or "Ramp" on the outside.
- Separately packaged orders must be delivered in one overall box or pallet.
- No documents, such as invoices or advertising brochures, may be enclosed with the order.

4.4.6. Delivery of workstations and storage for the Odelzhausen site

Workstations and storage are bulky products and often difficult to handle. To this effect, the following special rules apply to the delivery of workstations and storage:

- The maximum load height including the loading aid is 2,150mm.
- Oversized packages (e.g.: 4m pallet racking) can be unloaded sideways.
- Bubble wrap is permitted for selected products after consultation with HSC.

4.4.7. Third-party orders as direct deliveries to customers

Third-party jobs from HSC customers are placed directly as third-party orders to suppliers. These must be sent as a direct delivery to the customers.

The delivery note is prepared by HSC and made available to the supplier. This must be enclosed with the package. The package must not contain any other documents such as invoices, delivery notes or advertising brochures. The package must also be free from advertising prints or comparable advertising material (e.g.: printed adhesive tape & stickers).

A shipping method with the possibility of tracking for HSC (track & trace) can be selected here.

For shipping, the supplier must send an e-mail to HSC with the following information:

- Order number in the subject of the e-mail
- A copy of the delivery note as PDF
- Link or information about access to the track & trace solution
- Shipment number and name of the forwarding agent or logistics network
- Date of arrival of the delivery at the customer

To do this, use the following e-mail: tracking@hoffmann-group.com

4.5. Dangerous goods management

In addition to the general handling regulations, the following special considerations must also be observed when handling dangerous goods:

- Safety data sheets must be made available to the responsible purchasing contact person in all necessary languages prior to initial delivery.
- The UN number with the technical product designation, as well as the danger label and packing group, if applicable, must be listed on the delivery note.
- Shipping according to regulations "Limited Quantities".
- Packaging and designation in accordance with dangerous goods regulations.
- Packaging materials must be labelled in accordance with the statutory regulations (Overpack, Ltd Qty, etc.).

As presented in point 4.4.3 "Means of transport – pallets", the maximum load height, including loading aid, of unmixed hazardous materials pallets must not exceed 900mm.

In general the rules apply according to the ADR (EU agreement concerning the international carriage of dangerous goods by road) valid at the time of transport. HSC reserves the right to invoice the supplier for disposal costs incurred as a result of poor or insufficient packaging of the hazardous materials.

4.6. Import processing

For all import deliveries from outside the European Union, the following documents must be sent electronically before dispatch to: import@hoffmann-group.com

- Invoice (if required, incl. preference text)
- Consignment note
- Delivery note and/or packing list
- Certificate of origin/REX registration number

In order to ensure that the original documents are available in time for customs clearance, the supplier must observe the following deadlines for the provision of the originals:

- Air freight: enclosed 1 day prior to arrival of the aeroplane
- Sea freight: 2 weeks before the arrival of the ship
- HGV: 1 day before arrival of the truck
- Courier: enclosed with the consignment

These deadlines also apply to all cash on delivery and document deliveries; therefore it should be ensured that the document envelope arrives on time. A copy of the delivery note and/or packing list must always be attached to the outer packaging of the delivery.

The correct address for all original documents must be the following:

Hoffmann Supply Chain GmbH
ODL/G - Import
Haberlandstraße 55
81241 Munich
Germany

4.7. Foreign trade requirements

Participation in international trade, the use of preferential agreements and export to certain countries require consistent reporting to authorities (Intrastat/ATLAS) and certain documents. Therefore, upon request or if required in connection with the supplier's declaration, the supplier must provide the customs tariff numbers and countries of origin of the products to HSC and, if necessary, provide a Chamber of Industry and Commerce certificate of origin (third country goods).

If the supplier deals with goods that are classified as drug precursors or dual use according to (inter)national law, it must also inform HSC of this prior to delivery. For this purpose, it must send the corresponding coding (CAS-RN, export list number, ECCN) with order reference to: exportcontrol@hoffmann-group.com.

An export control declaration must also be issued at the written request of HSC. This must be sent by post as stated in the letter, and must be sent in advance to the following e-mail: exportcontrol@hoffmann-group.com

5. Supplier assessment

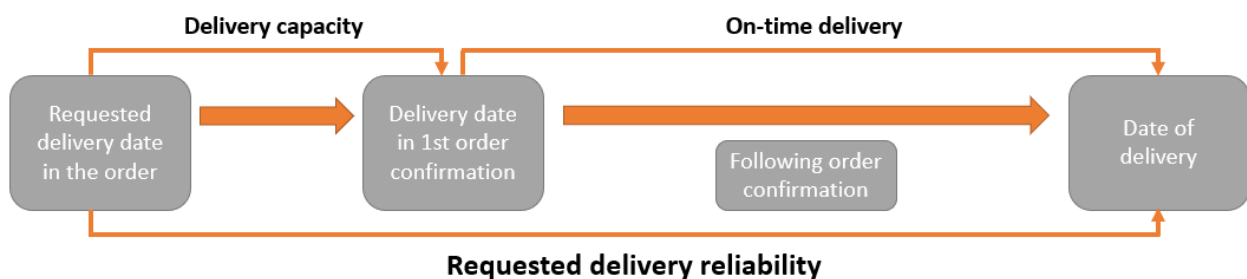
5.1. General information on supplier evaluation

As part of the continuous optimisation of our supply chain processes, we measure and evaluate the delivery performance of our suppliers. In accordance with the HSC principle "always better", HSC expects a constant improvement in deliveries, products and service. Only with an optimal delivery performance, as well as high-quality products, can we pass on optimal performance to our customers. In this regard, HSC reserves the right to enrol the supplier in a development program due to consistently poor or insufficient performance.

5.2. Codes

The supplier evaluation is collected on the basis of defined metrics and discussed with the suppliers on a regular basis. HSC uses the following metrics to evaluate supplier delivery performance:

5.2.1. Requested delivery reliability



Metric	Description	Example
Requested delivery reliability	<u>Primary metric:</u> The delivery dates are measured compared to the original requested delivery dates of the Hoffmann Group order.	<ul style="list-style-type: none"> OTIF (on time in full) is measured The supplier delivers all items of the order on the date originally requested in the order. Result: requested delivery reliability 100%
Delivery capability	<u>Secondary metric:</u> The supplier's confirmation date is measured compared to the original requested delivery dates of the orders per item. The basis for this are the systemically stored and agreed planned delivery times.	<ul style="list-style-type: none"> OTIF (on time in full) is measured Hoffmann Group places an order with 10 items and delivery date at item level The supplier confirms 8 items at the desired delivery date and 2 items at a different date and outside the measurement tolerance Result: delivery capability = 80%
Delivery reliability	<u>Secondary metric:</u> The delivery date of the supplier is measured compared the specified date of the 1st order confirmations.	<ul style="list-style-type: none"> OTIF (on time in full) is measured <p>The supplier delivers all 10 items of the order on the original requested delivery date, but 2 of them are now different from the 1st order confirmation.</p> <p>Result: delivery reliability 80%</p>

The primary metric is therefore the requested delivery reliability. The secondary metrics are used for further analysis of deviations from the requested delivery reliability compared to the relevant target value, or for the analysis of the general process quality.

Any resulting changes that arise in a dynamic and volatile market environment are taken into account in so far as agreed between HSC and the supplier.

The KPIs have a direct influence on the supplier evaluation and should therefore be integrated into the process landscape of the supplier and be evaluated independently on a continuous basis. If necessary, HSC shall provide the supplier with the delivery performance every six months.

In the event of a negative delivery performance, it is expected that the supplier will take appropriate measures on its own in order to improve it and communicate these to HSC. In the event of a consistent negative trend and prospects, HSC reserves the right to claim any additional expenses incurred.

5.2.2. Goods receipt delivery quality

An important assessment is measurement of delivery quality. This assessment relates to all non-product-related errors as well as qualitative factors that are recorded during the goods receiving and the goods receipt posting.

Basis for determining the assessment of the delivery quality:

HSC first uses the following criteria catalogue to assess the delivery quality in order to make internal costs for errors that occur measurable according to criteria 1 – 6. In the event of an increase in errors in the metrics reports, it is escalated to the supplier in accordance with the error categories with the request to take the necessary countermeasures. We reserve the right to charge additional expenses incurred if no suitable measures are taken by the supplier and no improvement of the situation occurs. Further qualitative deviations from logistics specifications and the control process – see section 4 – are recorded in the deviation criteria 7 and discussed with the suppliers as required as part of further improvement measures.

Error criteria:

Criteria	Description	Reference value
1	Goods receiving	
1.1	Delivery incomplete (package)	Per delivery
1.2	Transport damage	Per delivery
1.3	Deviation of means of transport	Per delivery
1.4	Delivery calendar not adhered to	Per delivery
2	Accompanying document	
2.1	Freight and accompanying documents are missing	Per delivery
2.2	Delivery note (paper) missing	Per delivery
2.3	Delivery note inside	Per delivery
2.4	Delivery note incomplete	Per delivery
2.5	Delivery note information insufficient	Per delivery
3	Electronic data transmission	
3.1	Faulty / no DESADV	Per record
4	Goods labelling	
4.1	Goods not labelled	Per item/delivery item
4.2	Goods are labelled differently to the specification	Per item/delivery item
4.3	Cross docking (ramp) designation missing	Per delivery
5	Goods assembly	
5.1	Item not assembled	Per item/delivery item
5.2	Items are assembled differently to the specifications	Per item/delivery item
6	Delivery deviation	
6.1	Excess quantity (item)	Per purchase order item
6.2	Low quantity (item)	Per purchase order item
6.3	Incorrect item	Per purchase order item
6.4	Item damaged	Per purchase order item
6.5	Double delivery	Per delivery

6. Templates

The following templates were created according to DIN 4991 or ISO 6422, UNTDED. The font type for all document types must be selected according to regulations for OCR / text recognition (see e.g. ISO 1073-2). It is recommended that examples of these documents from the supplier system be agreed with HSC and released before operational use. Appropriate contact persons can be named upon request (supplier-development@hoffmann-group.com). Once released, deviations from these templates and from approved document templates from the supplier systems must be released again. Additional text such as trade fair dates or greetings should generally be avoided.

Section 6.1 can be ignored if the order confirmation has already been transferred via EDI.

6.1. Order confirmation

One order confirmation must be created per order. Handwritten order confirmations are not permitted. Avoid page breaks within the items and total amount data. Partial quantities or split quantities must be shown as individual items with the same item number.

<div style="border: 1px solid black; display: inline-block; padding: 5px 15px; font-weight: bold; font-size: 24px;">A</div>					
Bestellantwort					
<div style="border: 1px solid black; display: inline-block; padding: 5px 15px; font-weight: bold; font-size: 24px;">B</div>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="border-bottom: 1px solid black; width: 60%;">Bestellantwort-Nummer</td> <td style="border-bottom: 1px solid black;">Datum</td> </tr> <tr> <td style="border-bottom: 1px solid black;">Bestell-Nummer</td> <td style="border-bottom: 1px solid black;">Datum</td> </tr> </table> <div style="border: 1px solid black; display: inline-block; padding: 5px 15px; font-weight: bold; font-size: 24px; margin-top: 10px;">C</div>	Bestellantwort-Nummer	Datum	Bestell-Nummer	Datum
Bestellantwort-Nummer	Datum				
Bestell-Nummer	Datum				
Endkunden-Auftragszeichen <div style="border: 1px solid black; display: inline-block; padding: 5px 15px; font-weight: bold; font-size: 24px; margin-top: 10px;">D</div>	Auftragskennzeichen Lieferer <div style="border: 1px solid black; display: inline-block; padding: 5px 15px; font-weight: bold; font-size: 24px; margin-top: 10px;">E</div>				
Versandanschrift VersAnschr.-Nr. <div style="border: 1px solid black; display: inline-block; padding: 5px 15px; font-weight: bold; font-size: 24px; margin-top: 10px;">F</div>	Änderungshinweis Kann-Liefertermin Uhrzeit <div style="border: 1px solid black; display: inline-block; padding: 5px 15px; font-weight: bold; font-size: 24px; margin-top: 10px;">G</div>				
Kontaktangaben Besteller (Abt./Name/Telefon/Fax)					
Kontaktangaben Aussteller (Abt./Name/Telefon/Fax) <div style="border: 1px solid black; display: inline-block; padding: 5px 15px; font-weight: bold; font-size: 24px; margin-left: 10px;">H</div>					
<div style="border: 1px solid black; display: inline-block; padding: 5px 15px; font-weight: bold; font-size: 24px;">J</div>					

Hoffmann Supply Chain GmbH

Field	Rows	Contents	Mandatory/optional
Field A			
(A)	03 – 06	Sender's form header (logo, word mark, company, authority) and internal notes, designation of the form	M
Field B			
(B)	07 – 08	Sender postal information	M
(B)	10 – 17	Customer address	M
Field C			
(C)	07	Date of the order response	M
(C)	08	Order response number	M
(C)	11	Date of order	O
(C)	12	Order number	M
Field G			
(G)	29	Optional delivery date	M
Field H			
(H)	38 – 39	Contact details for issuer (dept./name/phone/fax)	M
Field J, para. 2			
(J para. 2)	02	Item number	M
(J para. 2)	02	Product number of the supplier – HSC SAP – number	M
(J para. 2)	02	Quantity and unit	M
(J para. 2)	04-06	Product description	O
(J para. 2)	04	Price and unit, currency (DIN EN 24217, 3-digit Alpha Code)	M
(J para. 2)	06	Discounts, currency (DIN EN 24217, 3-digit Alpha Code)	O
(J para. 2)	09	Optional delivery date	M
(J para. 2)	11	Notes on changes	M, in case of order change
(J para. 2)	14	Surcharges/deductions for the item (Surcharge/discount type) currency (DIN EN 24217, 3-digit Alpha Code)	O
(J para. 2)	15	Percentage of the item value (surcharge/discount percentage) currency (DIN EN 24217, 3-digit Alpha Code)	O
Field J, para. 3			
(J para. 3)	16	Net value, currency (DIN EN 24217, 3-digit Alpha Code)	M
(J para. 3)	17	Total amount (VAT included)	M

6.2. Delivery note

Compliant delivery notes are required for a smooth delivery notification and goods receipt posting. Handwritten delivery notes are not permitted.

A		Lieferschein	
B		Lieferschein-Nummer	Datum
		Kunden-Nummer	
		Bestell-Nummer	Datum
C			
D		E	
USt-ID Kunde Endkunden-Auftragszeichen		USt-ID Lieferer Auftragskennzeichen Lieferer	
F		G	
Versandanschrift VersAnsch.-Nr. 		Transportdetails 	
Kontaktangaben Besteller (Abt./Name/Telefon/Fax) Kontaktangaben Aussteller (Abt./Name/Telefon/Fax)		H	
J			

Hoffmann Supply Chain GmbH

Field	Line(s)	Contents	Mandatory/optional
Field A			
(A)	03 – 06	Sender's form header (logo, word mark, company, authority) and internal notes, designation of the form	M
Field B			
(B)	07 – 08	Sender postal information	M
(B)	10 – 17	Customer address	M
Field C			
(C)	07	Date of the delivery note	M
(C)	08	Delivery note number	M
(C)	10	Customer number	O
(C)	11	Date of order	O
(C)	12	Order number	M
Field D			
(D)	20	Customer VAT ID	O, if specified by the customer
(D)	22 – 24	End customer order sign	O, if specified by the customer
Field E			
(E)	20	Supplier VAT ID	O
(E)	22 – 24	Supplier order reference	O
Field F			
(F)	25	Delivery address number	O
(F)	26 – 33	Delivery address	M, if different from field B (customer)
Field G			
(G)	26 – 33	Transport details (e.g. unloading point, siding, comments and instructions)	O
(G)	26 – 33	NVE/SSCC number	M
(G)	26 – 33	Dispatch date	M
(G)	26 – 33	Arrival date	M
Field H			
(H)	26 – 33	Contact details of the ordering party (dept./name/phone/fax)	M
(H)	38 – 39	Contact details for issuing party (dept./name/phone/fax)	M
Field J section 1			
(J1)	02	Shipping method	M
(J1)	02	Type of packaging	M
(J1)	05	Net weight + unit of measurement	O
(J1)	05	Gross weight + unit of measurement	O
(J1)	08	Number of packages	O

(J1)	08	Length + unit of measurement	O
(J1)	08	Width + unit of measurement	O
(J1)	08	Height + unit of measurement	O
(J1)	11 – 18	Other address 1	O
(J1)	11 – 18	Other address 2	O
(J1)	21	Country of dispatch (DIN EN ISO 3166-1, 3-digit Alpha Code)	O
(J1)	23	Type of business/customs	O
(J1)	22	Price basis (Incoterms, location)	O
(J1)	26	Reference information	O
(J1)	29	Import licence number	O
(J1)	29	Date of import licence	O
(J1)	31	Number of the export declaration	O
(J1)	31	Date of export declaration	O
(J1)	33	Letter of credit number	O
(J1)	33	Date of the letter of credit	O
(J1)	35	Number of the export licence	O
(J1)	35	Date of export licence	O
(J1)	38	Final texts	O
Field J section 2			
(J2)	02	Item number (as per the Hoffmann order)	M
(J2)	02	Product number, supplier (Ho item number)	M
(J2)	02	Quantity and unit	M
(J2)	04 – 06	Product description	M
(J2)	09	Customer product number	M
(J2)	11	Country of origin (DIN EN ISO 3166-1, 3-digit Alpha Code)	O
(J2)	13	Reference information	O
(J2)	16	Net weight + unit of measurement (Realistic field length for visual reasons)	O

6.3. Invoice

Compliant invoices are required for automated invoice creation. A handwritten invoice is not permitted.

A		Rechnung	
B		Rechnungs-Nummer	Datum
		Kunden-Nummer	
		Bestell-Nummer	Datum
		Ursprüngliche Rechnungs-Nummer	C
		Lieferschein-Nummer	
.		Datum der Lieferung oder Leistung	
USt-ID Kunde	D	USt-ID Lieferant oder Steuernummer Lieferant	E
Endkunden-Auftragszeichen			
Versandanschrift	F	Transportdetails	G
VersAnschr.-Nr.			
Kontaktangaben Besteller (Abt./Name/Telefon/Fax)		H	
Kontaktangaben Aussteller (Abt./Name/Telefon/Fax)			
J			

Field	Rows	Contents	Mandatory/optional
Field A			
(A)	03 – 06	Sender's form header (logo, word mark, company, authority) and internal notes, designation of the form	M
Field B			
(B)	07 – 08	Sender postal information	M
(B)	10 – 17	Name and address of customer	M
Field C			
(C)	07	Date of invoice	O
(C)	08	Invoice number	O
(C)	11	Date of order	O
(C)	12	Order number	M
(C)	14	Original invoice number	M, in event of correction
(C)	15	Date of the delivery note	O
(C)	16	Delivery note number	M
(C)	17	Date of delivery or service	M
Field E			
(E)	20	VAT ID or tax number of supplier	M
(F)	26-33	Delivery address	O
(G)	26-33	Transport details (e.g. unloading point, siding, comments and instructions)	O
(H)	35-36	Contact details of the ordering party (Dept./name/telephone/fax/e-mail)	O
(H)	38-39	Contact details of the issuing party (Dept./name/telephone/fax/e-mail)	O
(J para. 2)	02	Item number of the HSC order	M
(J para. 2)	02	Supplier product/service number	M
(J para. 2)	02	Quantity and unit	M
(J para. 2)	04-06	Product/service description	M
(J para. 2)	04	Price and unit, currency (DIN EN 24217, 3-digit Alpha Code)	M
(J para. 2)	06	Discounts, currency (DIN EN 24217, 3-digit Alpha Code)	O
(J para. 2)	07	Tax rate, currency (DIN EN 24217, 3-digit Alpha Code)	O
(J para. 2)	10	Customer material number	M
(J para. 2)	12	Country of origin (DIN EN ISO 3166-1, 3-digit Alpha Code)	O
(J para. 2)	16	Date of delivery or service	O

(J para. 2)	22	Surcharges/deductions for the item (Surcharge/discount type) currency (DIN EN 24217, 3-digit Alpha Code)	O
(J para. 2)	23	Percentage of the item value (surcharge/discount percentage) currency (DIN EN 24217, 3-digit Alpha Code)	O
(J para. 2)	25	Goods value of the item, currency (DIN EN 24217, 3-digit Alpha Code)	M
(J para. 3)	02	Goods value, currency (DIN EN 24217, 3-digit Alpha Code)	O
(J para. 3)	04	Surcharges/deductions, currency (DIN EN 24217, 3-digit Alpha Code)	O
(J para. 3)	06	Total expenses, currency (DIN EN 24217, 3-digit Alpha Code)	O
(J para. 3)	08	Packaging (part of expenses), currency (DIN EN 24217, 3-digit Alpha Code)	O
(J para. 3)	10	Freight charge (part of expenses), currency (DIN EN 24217, 3-digit Alpha Code)	O
(J para. 3)	12	Postage/freight (part of expenses), currency (DIN EN 24217, 3-digit Alpha Code)	O
(J para. 3)	14	Insurance (part of expenses), currency (DIN EN 24217, 3-digit Alpha Code)	O
(J para. 3)	16	Other expenses (part of expenses), currency (DIN EN 24217, 3-digit Alpha Code)	O
(J para. 3)	19	Taxable remuneration, currency (DIN EN 24217, 3-digit Alpha Code)	M
(J para. 3)	21	VAT rate, amount, currency (DIN EN 24217, 3-digit Alpha Code)	M
(J para. 3)	23	Final value of the invoice, currency (DIN EN 24217, 3-digit Alpha Code)	M
(J para. 3)	25	Advance payment date, amount, currency (DIN EN 24217, 3-digit Alpha Code)	M
(J para. 3)	27	Amount of VAT on the advance payment, currency (DIN EN 24217, 3-digit Alpha Code)	M
(J para. 3)	29	Balance to be paid, currency (DIN EN 24217, 3-digit Alpha Code)	M
(J para. 3)	32	Final texts	O
(J para. 3)	35	Bank details (consists of): – Bank name – IBAN*) – BIC (S.W.I.F.T address)	M

7. Checklist for goods receipt

Small improvements – big effect. Work with us to consistently implement the following 12 points. In this way, you help to prevent questions or complaints on our part – for the mutual benefit of faster and simpler processing. **This checklist is designed to help you:**

Labelling Are all tools provided in the agreed amount and with the correct, as well as complete item number, including barcode GTIN 13 or, if applicable, labelling?	<input type="checkbox"/>												
Completeness - Are tools complete? - Are operating instructions, test report, certificate and any accessories clearly enclosed or mounted?	<input type="checkbox"/>												
Unmixed packaging Are the goods packed unmixed in appropriately labelled bags, cardboard boxes or on separate pallets?	<input type="checkbox"/>												
Delivery quantity - Does the quantity to be delivered correspond completely to the ordered delivery quantity? - Have the delivery documents been correspondingly corrected in the event of partial or over-delivery?	<input type="checkbox"/>												
Delivery note information <table border="0"> <tr> <td>■ Supplier no.</td> <td>■ Delivery note no.</td> <td>■ Order no.</td> <td>■ Item designation</td> </tr> <tr> <td>■ Supplier item no.</td> <td>■ Ho item no.</td> <td>■ Delivery quantity</td> <td>■ Item no. according to Ho order no.</td> </tr> <tr> <td>■ Unique packaging unit</td> <td></td> <td>■ UN numbers</td> <td>■ Contact person</td> </tr> </table>	■ Supplier no.	■ Delivery note no.	■ Order no.	■ Item designation	■ Supplier item no.	■ Ho item no.	■ Delivery quantity	■ Item no. according to Ho order no.	■ Unique packaging unit		■ UN numbers	■ Contact person	<input type="checkbox"/>
■ Supplier no.	■ Delivery note no.	■ Order no.	■ Item designation										
■ Supplier item no.	■ Ho item no.	■ Delivery quantity	■ Item no. according to Ho order no.										
■ Unique packaging unit		■ UN numbers	■ Contact person										
Filling material Has only packaging paper or possibly crumpled newspaper been used as filling material? (no packing chips)	<input type="checkbox"/>												
Packaging securing Have only adhesive tape and welded PE strapping been used to secure the packaging? No metal straps!	<input type="checkbox"/>												
Number of packages Is there a note about the number of packages on each address sticker?	<input type="checkbox"/>												
Marking instructions - Is the delivery note on the outside or is it marked where the delivery note or invoice is located? - For overseas deliveries: are shipping marks that correspond to the Hoffmann Group specification attached?	<input type="checkbox"/>												
Packaging material - Is the agreed upon packaging material used (e.g. Europallet, box or modular cardboard box)? No wooden boxes! (Deviations only after agreement) - Is the outer packaging kept visually neutral, at most with the manufacturer's print? - Cargo must not be sprayed with methyl bromide (MB) (alternative: heat treatment or similar)	<input type="checkbox"/>												
Ramp-type delivery / cross docking - Is the delivery note affixed to the outside of the package and is it recognisable as a ramp-type delivery? - Were any documents (invoice or similar) or flyers included in the contents?	<input type="checkbox"/>												
Timely delivery and prior notification Ensure timely delivery! Electronic notification preferred! Prior notification for delivery of more than 1.5 t per loading aid, more than 15 loading aids or hazardous materials to: BeC-Odelzhausen: e-mail: LieferavisBE@hoffmann-group.com Tel.: +49 8134 5531-2001 LogisticCity Nuremberg: e-mail: LC-yardmanagement@hoffmann-group.com Tel.: +49 911 6581-6123	<input type="checkbox"/>												