



# Supplier manual logistics

Logistics requirements of Carl Walther GmbH & Co.  
Produktions KG in Ulm





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## Preface

The purpose of this supplier manual is to further build upon our successful cooperation.

We are striving for genuine partnerships based on fairness and efficiency.

In a tough competitive field, it is only possible to succeed over the long term with motivated supply partners. Continuous improvement and the will to try out new things together is the way to achieve long-term cooperation with our suppliers.

The purchasing goals of reducing costs, improving quality, and shortening delivery times can only lead to economic benefits for both parties if there is a relationship of trust and partnership.

That is why we are striving for open dialog.

As our supplier, you are getting this set of practical guidelines, which will show you which measures and ways of working will enable you to become an A-class supplier for us.

The conditions set forth in this manual do not release the supplier in any manner from its responsibility to produce and deliver defect-free, functional parts according to purchase orders.

This manual does not replace the requirements of legal conditions or standards, rather it establishes specific requirements that are important for processes at Carl Walther GmbH & Co. KG.

This supplier manual does not release the supplier from liability.



## 1. Information logistics

Communications between the supplier and Carl Walther GmbH Co. Produktions KG represent a key component of trust-based cooperation. Very important for this are:

Information on changes related to joint matters (agreements, processes, etc.) must be provided in a timely manner and without request.

Compliance with and tracking of agreements made.

### 1.1 Communications between the supplier and Carl Walther GmbH Co. Produktions KG

#### 1.1.1 Contact partner

For us, it is important that we can always reach you. If this has not been arranged yet, please provide information on a contact partner, representative, supervisor, each with email address, phone number and fax number. If any of these change over the course of our cooperation, such changes must be communicated to us without request. The contact partner must have the authority to decide on actions in response to faults in process flow and processes to quickly correct them.

#### 1.1.2 Accessibility

The contact partner you appoint must be accessible on all work days between 7:00 am and 5:00 pm.

Outside of this time window, or in case of plant closures, an emergency phone number must be provided which gives access to qualified personnel.

The supplier must inform Carl Walther GmbH & Co. Produktions KG in writing (mail, fax, email) of its plant shutdown dates in a timely manner (at least 3 months more than the agreed procurement time/scheduled delivery time).

### 1.2 Information channels

EDI is the preferred basic information channel for a supplier relationship with Carl Walther GmbH & Co. Produktions KG. In this context, the supplier agrees to electronically notify (with delivery notice) Carl Walther GmbH & Co. Produktions KG, regardless of the agreed INCOTERM, and to affix the proper shipping label to the delivery units. A distinction is made between two types of EDI: EDI / Web EDI.



### 1.2.1 EDI

For the information transfer, the supplier must use the following standard formats used in the industry, VDA, EDIFACT

### 1.2.2 Web EDI

Web EDI is an internet-based information system for suppliers to communicate with Carl Walther (e.g., if the production release volumes are low or the infrastructure is lacking). It is an alternative to conventional EDI.

### 1.2.3 Controlling concepts in procurement

In implementing its Carl Walther Production System (CWPS), Carl Walther GmbH & Co. Produktions KG strives for minimal losses over the entire supply chain from customer to supplier. That is why, with regard to Carl Walther procurement logistics, if conditions permit, strategies are preferred which support consumption-oriented methods such as Kanban ("Only deliver what the previous value creation stage has used up"). Which controlling strategy is used is established by Carl Walther GmbH & Co. Produktions KG for the specific contractual product (use of the best suited controlling principle).

### 1.2.4 Handling of production releases to suppliers

Production releases are communicated on a rolling basis. They are updated regularly and generally contain data with a time horizon of at least two months. The most recent production release is binding and replaces all prior production releases.

### 1.2.5 Handling of Kanban

The trigger is removal from/usage of Kanban (containers) from supply areas (supermarkets) close to production.

In the framework of Kanban handling, the required information for production material release is also transmitted as a preview. However, only the Kanban production release is binding for delivery.

The specific control strategy that is used may result in differences in handling, which are characterized in the following.



### 1.2.6 Exclusive use of machine processing

In the future, Carl Walther GmbH & Co. Produktions KG will be striving to communicate ordering information to suppliers exclusively via EDI. This should be adopted into the supplier's information processing processes without additional manual acquisition/processing.

The goal is to have the supplier import data automatically into its production planning system (PPS). This includes import into capacity planning and production control. It must be assured that the system is used universally for all planning, production and shipping processes. Media discontinuities must be avoided. Interfaces between the systems must be monitored regularly to assure proper and complete transfer of the data.

### 1.2.7 Delivery and shipping data / label printing / shipping documents

In the context of information, the supplier provides – for the purpose of notification and data capture – an electronic shipping notice (via EDI or Web EDI) at the same time the shipping documents are prepared. The supplier generates shipping documents and labels in its shipping system according to the following standards.

VDA delivery note, VDA freight documents, VDA transport label, VDA Kanban card.

## 1.3 Order processing

The supplier receives annual production release volumes as a nonbinding preview. Based on this information, the supplier must ensure

- that it has sufficient production capacity for this volume and
- that its own sub-suppliers are capable of delivering sufficient quantities of input materials.

### 1.3.1 Ordering process

The dates given in the production release are arrival dates at Carl Walther GmbH & Co. KG in Ulm . Any deviations from these dates must be negotiated separately. The supplier must check the production release it receives for completeness, correctness and plausibility (e.g., supplier name, part number, quantity, date). In case of anomalies, the supplier must contact the responsible Carl Walther GmbH & Co. KG contact partner without delay.

Production releases are binding for the supplier, unless these are rejected by



the supplier within two work days after receipt of the release, and the supplier must inform Carl Walther GmbH & Co. Produktions KG that it cannot fulfill the requirements or can only fulfill them conditionally. Order confirmation is always required.

The supplier must verify that it has a functional escalation management system in place for any process deviations that might occur.

### 1.3.2 Order tracking (LAB)

The supplier must perform continuous internal order tracking. The supplier can always provide updates on production progress with this system. If applicable, the supplier must assure universal transparency in order tracking among its sub-suppliers.

Suppliers must implement an early warning system to detect any supply problems. Suppliers are required to have emergency plans and an effective crisis management system which must be verified upon request.

If incidents occur that will have an impact on the delivery schedule or quantity for Carl Walther GmbH & Co. Produktions KG in Ulm, the supplier must initiate the required actions. If it becomes apparent that, despite the initiated actions, it will not be possible to fulfill agreements or promises, the supplier must inform the Carl Walther contact partner of this, unrequested and without delay, via email/fax and propose a new delivery date or a new delivery quantity.

In addition, upon request the supplier must inform Carl Walther GmbH & Co. Produktions KG of at least the following items:

1. Cause of the supply problem
2. Production capacities for the parts in backlog and underlying machine run times and work times (hours per work day, work days per week)
3. Checking for alternative production options (must absolutely meet Carl Walther quality requirements)
4. Deliverable alternative parts (must absolutely meet Carl Walther quality requirements)
5. Checking for possibility of lot splitting/partial delivery
6. Option of shortening delivery time by means of a special shipment
7. Information/escalation within the supplier's organization

If no mutually agreeable solution can be found, the contact partner must involve higher levels of hierarchy, up to the supplier's top management.



### **1.3.3 Production and material release**

The supplier is obligated to deliver the ordered products and any other related materials.

Production releases are legal orders of finished goods which must be delivered in accordance with the delivery dates of the most recently updated production release.

Dates given in production and material releases refer to arrival dates at Carl Walther GmbH & Co. KG.

Time periods for production and material releases are generally specified in the associated supply contract. If it can be verified that the agreed releases are inadequate for maintaining deliverability, the supplier can, in isolated instances, petition for an extension of material releases or request additional preview dates from the contact partner at Carl Walther GmbH & Co. Produktions KG. Any requirement quantities larger than the production release and material release quantities are nonbinding planning figures (preview) which can help the supplier in planning for production capacity.

### **1.3.4 Start-of-production and end-of-production control**

In the startup and discontinuation phases, Carl Walther GmbH & Co. Produktions KG expects greater flexibility from the supplier. Capacity planning is required for this, so that the supplier is able to deliver correct quantities of even small volumes on time.

Capacity planning must be coordinated between Carl Walther GmbH & Co. Produktions KG and the supplier in a timely manner.

### **1.3.5 Order processing when the Kanban process is used**

In the case of Kanban, emptying of a Kanban container triggers a demand for more parts. Filling of the container and its documentation at incoming goods at Carl Walther GmbH und Co. Produktions KG satisfies this demand, provided that the specified quantity of containers is delivered.

## **1.4 Controlling of logistics services**

The supplier must, at a minimum, track the following measurement parameters to determine its logistics performance, and it must provide results upon request. It is recommended that a supplier provide internal visualization of the results in its relevant departments.



### 1.4.1 Delivery fulfillment

The supplier must have a system in place for tracking and measuring its delivery performance (date and quantity) referenced to order data from Carl Walther GmbH & Co. Produktions KG. This performance must be measured and displayed at least on a monthly basis.

### 1.4.2 Special shipments

Special shipments (e.g., special trips, flights) are shipments which deviate from normal handling as specified in the supply contract between the supplier and Carl Walther GmbH & Co. Produktions KG. They serve to reduce throughput times, and they are performed in addition to normal shipping.

## 2. Packaging logistics

### 2.1 Defining the packaging

As a rule, the packaging must be designed in coordination between Carl Walther GmbH & Co. Produktions KG and the supplier based on environmental, economic and qualitative criteria. In the framework of the product creation process, packaging development can be performed by the supplier if this is advantageous due to the supplier's existing process and product knowhow. The responsible Carl Walther GmbH & Co. Produktions KG employees in Logistics and the supplier then come to an agreement on the defined, product-specific packaging in the form of a packaging data sheet, which is binding for future deliveries of the contracted products.

The supplier must follow these principles:

Avoidance of packaging. The packaging must not be any larger or more complex than is absolutely needed to protect the goods.

The fill material must be reduced to a minimum and must be reusable or compact in disposal.

When disposable or reusable packaging units are used, recyclable packing materials must be used, and they must be marked according to the requirements of the disposal business.

Use of segregated, unmixed materials. Composite materials are not permitted.

If disposable packaging and reusable packaging are equivalent in terms of economic and qualitative criteria, reusable packaging is the preferred choice.

Pool-capable reusable packaging units (euro pallet, eurobox pallet, VDA small load carriers, euro boxes, etc.) are preferred over non-pool capable reusable packaging units. Therefore, it is preferable to specify inserts (blisters) for reusable packaging units.



Reusable packaging units should conform to standard sizes. A specific design and other sizes are only permitted in the case of special requirements with regard to the material to be transported.

Reusable packaging units must be designed so that they can be emptied fully and are easy to clean and dry.

Special requirements for packaging materials made of wood:

When trading in packaging materials made of solid wood, the supplier must comply with the currently valid version of the phyto-hygienic requirements of the IPPC (International Plant Protection Convention), a sub-organization of the FAO (Food and Agriculture Organization of the UN). Deviations from the requirements must be explicitly approved.

Information on IPPC requirements and country-specific requirements can be downloaded at the following link:

<https://www.ippc.int/IPP/En/default.jsp>

Furthermore, the following specific requirements must be fulfilled

| REGION    | REQUIREMENTS FOR DELIVERIES TO CARL WALTHER GMBH & CO. PRODUKTIONS KG WHICH DO NOT ORIGINATE FROM GERMANY OR ARE DELIVERED TO ITS FOREIGN WAREHOUSES (According to valid IPPC version)                              |
|-----------|---|
| A. Europe | IPPC standard; debarked wood<br><u>Comment:</u> Provision does not apply to packaging material made of solid wood from European countries which is imported as goods (not used as packaging). Temporary regulation. |

Applicable documents:

| REGION    | DOCUMENTATION  |
|-----------|--|
| A. Europe | VDA 4500 (small load carrier system) VDA<br>4902 (barcode-capable transport label) ESD<br>regulations of DIN EN 61340-5-1<br>EU packaging guidelines DIN EN 13427 – DIN EN 13432 |

### 2.1.1 Reusable packaging

#### a) Standard load carriers

The packaging units to be used must be coordinated with the Logistics department of Carl Walther GmbH & Co. Produktions KG before the first



delivery. Specifically:

Euro pallet and euro box pallet, up to max. 1000 kg load capacity

Preferred: Per VDA recommendation 4500 VDA-KLT (KLT = small load carriers) (RL), per VDA-, special handling: C- R-KLT; cover per VDA 4500, plastic pallet, euro boxes

#### b) Specialized load carriers

The use of special load carriers is only permitted if none of the standard load carriers can be used due to product requirements. In all cases, an approval for the use of special load carriers by Carl Walther GmbH & Co. Produktions KG must be documented before delivery.

Examples of this are

- Self-supporting load carriers,
- Other plastic containers, possibly with insert/blister and/or electrically conductive high-bay warehouse capable plastic pallets (1200 x 800 mm)
- Large load carriers such as box pallets with inserts

### 2.1.2 Disposable packaging

#### a) Preferred packaging materials:

| REGION    | MATERIAL  |
|-----------|---|
| A. Europe | Plastics: ABS, PS, PE, PP, EPP<br>corrugated board according to DIN<br>55468 solid board<br>Wood (only for pallets) |

#### b) Prohibited packing materials:

- PVC
- Fill materials for the food industry
- Plastic composite materials
- Packing foam, e.g., PU foam
- Materials which could pose a risk to the health of our employees (radiation, out-gassing)



## 2.2 Handling of empty containers

To attain and assure common quality, supply and inventory goals, the supplier must follow the rules below for empty container handling between Carl Walther GmbH & Co. Produktions KG and its suppliers.

### 2.2.1 Procurement

- a) Standard load carriers, pool-capable VDA-KLT (KLT = small load carriers) / euro pallets / euro box pallets / euro boxes.

| REGION    | EMPTY CONTAINERS   |
|-----------|--|
| A. Europe | VDA "KLT" small load carrier systems<br>Euro pallets<br>Euro box pallets<br>Euro boxes |

Except as agreed otherwise, the supplier gets standard load carriers for a defined amount of warehouse stock (generally 10 days) of products without use charges (basis: future production releases; transit inventories).

The supplier must procure standard load carriers which it needs for its own internal production processes.

In exceptional cases, special rules must be arranged with Carl Walther GmbH & Co. Produktions KG.

For euro pallets and euro box pallets, the rules of the European Pallet Association apply (Internet: <http://www.epal-pallets.org>).

- b) Specialized load carriers

- b1) Carl Walther specialized load carriers such as under a).

Carl Walther specialized load carriers must be exclusively procured by Carl Walther GmbH & Co. Produktions KG.

The supplier must procure standard load carriers which it needs for its own internal production processes. To ensure uniformity, the carriers needed must be procured from the source for Carl Walther GmbH & Co. Produktions KG. This requires written approval and must not be used for processes of third parties or of a competitor.

- b2) Special load carriers from suppliers



The supplier handles procurement of its special load carriers.

The magnitude of the circulation stock required for Carl Walther GmbH & Co. Produktions KG must be mutually agreed upon with Purchasing and Logistics at Carl Walther GmbH & Co. Produktions KG.

c.) Disposable packaging

Costs for disposable packaging and its procurement must all be assumed by the supplier.

### 2.2.2 Empty container management

The supplier performs bookkeeping of empty containers and coordinates inventories with the immediate exchange partner, i.e., with Carl Walther GmbH & Co. Produktions KG or with external service providers commissioned by Carl Walther. Carl Walther GmbH & Co. Produktions KG performs bookkeeping at least for Carl Walther-specific empty containers as well as pool-capable VDA small load carriers (KLT), euro boxes and inserts. The container inventory levels are communicated to suppliers every three months. Any claims must be received by the authorized empty container management team (of Carl Walther or of an external service provider) within 14 calendar days, together with submission of a voucher copy (Carl Walther pallet voucher). Otherwise, the reported inventory level is considered confirmed by the supplier. Any discrepancies in quantity must be resolved by the supplier with support of the authorized Carl Walther logistics personnel or support of the external service provider.

In this context, the supplier must, without delay, submit a claim to the responsible dispatching and logistics specialist at Carl Walther after determining at its incoming goods area that there are deficiencies in the delivered empty containers, such as deviating quantities, contamination or damage, indicating the delivery note, photo verification and a short description. If the deficiency is already discovered when the delivery is being transferred from the freight company, the freight driver must acknowledge the deficiency on the shipping documents. The driver's acknowledgment must also be submitted to the Carl Walther dispatching and logistics specialist; otherwise the deficiency cannot be recognized. The subsequent procedure must be coordinated with the Carl Walther logistics specialist on a case-by-case basis.

For pool-capable euro pallets and euro box pallets, the rules of the European Pallet Association apply (Internet: <http://www.epal-pallets.org>).

Quantity discrepancies or losses must be reconciled without delay according to the costs-by-cause principle and are based on the repurchasing price.



### 2.2.3 Provisioning

If the supplier neglects to request or procure packaging in a timely manner, it must bear the resulting added costs (e.g., freight costs, repackaging costs).

#### a) Pool-capable euro pallets / euro box pallets

For euro pallets and euro box pallets, the rules of the European Pallet Association apply (Internet: <http://www.epal-pallets.org>).

#### b) Carl Walther-specific empty containers and pool-capable VDA small load carriers (KLT) and inserts

The supplier must request the empty containers it requires in a timely manner (taking factors such as shipping time into consideration) in writing using the Carl Walther Container Circulation Request document. The release quantity is provided after review of the requested quantity by Carl Walther. Requested empty containers are supplied by Carl Walther cost-neutrally for suppliers at the defined delivery point (according to agreed delivery conditions). In the framework of Kanban handling, it is possible to arrange for a 1:1 exchange of full containers for empty containers between Carl Walther GmbH & Co. Produktions KG Ulm and the supplier.

### 2.2.4 Storage, repair and procurement of replacement parts

After accepting the empty containers from the freight company, the supplier is responsible for proper storage of the empty containers that ensures protection from the weather. That is, the empty containers must be stored in such a way that any risk of contamination is excluded before, during and after the production process. If contamination occurs during this time period, the supplier must clean the empty containers provided by Carl Walther at its own costs.

Carl Walther GmbH & Co. Produktions KG repairs the damaged Carl Walther empty containers or scraps them if necessary. Carl Walther bills 70% of the repair costs or new procurement costs to suppliers unless agreed otherwise between Carl Walther and the supplier.

### 2.2.5 Cleaning

The empty containers must comply with the required degree of cleanliness of the product and the standards of Carl Walther GmbH & Co. Produktions KG. The supplier is responsible.

#### a) Pool-capable empty containers

The supplier must clean pool-capable empty containers as necessary before use. The cleaning is performed according to the required degree of



cleanliness of the product and the standards of Carl Walther. The empty containers must not have any invalid goods identifications (e.g., stickers or tags).

#### b) Non-pool-capable empty containers

Carl Walther provides supplier-specific empty containers in clean condition.

If re-cleaning is necessary, Carl Walther only assumes the cleaning costs if it can be shown that the empty containers were delivered contaminated. Re-cleaning must be coordinated beforehand with the logistics manager at Carl Walther.

## 3 Shipping logistics

This not only involves conventional handling by freight forwarders; milk run strategies are increasingly being used as well. In contrast to the freight forwarding approach, in this strategy the freight is picked up in precisely defined week/day time windows.

The mentioned transport strategies are being used regionally via “cross docks” while “ship to line” deliveries are often made from local suppliers and for A, B parts.

The special aspects of these types of delivery are described in the following.

### 3.1 Shipping process

At the transfer point, the shipping company confirms the number and type of packages or shipping units, but not their content, value or weight.

Retrieval times and specified time windows at the supplier and other individual requirements are coordinated between the supplier and the freight forwarder or are defined in milk run concepts.

The top priority here is deliveries to Carl Walther GmbH & Co. Produktions KG in Ulm and or the external service provider that are on-time, complete and reliable.

#### 3.1.1 Transport companies

The supplier must always select freight companies and parcel delivery services in coordination with Carl Walther. Exceptions are only permitted for valid reasons in specific cases and require prior written approval by the dispatching specialist at Carl Walther.

#### 3.1.2 Special trips

Special trips are generally organized by the supplier. The supplier must coordinate



with Carl Walther on the freight company to use.

The party that CAUSED the need for the special trips assumes the costs. If Carl Walther GmbH & Co. Produktions KG assumes the costs, it is first necessary to obtain a written acceptance declaration from the authorized dispatching agent at Carl Walther.

### **3.1.3 Combining shipping units**

In the framework of the freight forwarding process, the supplier transfers all shipping units to the transport company (freight forwarders, parcel delivery services) in a way that is optimized logistically. In this process, multiple smaller units should be combined into a larger shipping unit, to the extent this is possible, under consideration of generally known dimensional and weight limits.

### **3.1.4 Packages**

Packages up to a maximum of 31.5 kg and within the maximum girth dimensions of parcel delivery services are usually handled via coordinated parcel delivery services.

### **3.1.5 Pallets, box pallets and bulk packs**

As a rule, shipping units should be segregated by type.

### **3.1.6 Maximum weight of packing units**

The supplier must observe regional/local guidelines for the weights of individual packing units.

## **3.2 Delivery regulations**

The supplier must observe the following rules:

Basic dimensions of pallets must be complied with. Protrusions and overhangs must be avoided.

The supplier must package all shipping units in a way that is safe for shipping and access.

The packing units should be segregated by type. Different product design levels must not be combined in a single packing unit.

Packing units must be combined into a shipping unit that is safe for shipping and protects against shifting during transport.

At a minimum, the uppermost layer of containers must be covered and packaged



against contamination and hidden from view.

Existing label pockets must be used.

Goods tags on reusable packaging units must be applied with easy-to-remove adhesive dots or tapes that do not leave residue. Using adhesive to attach goods tags to reusable packaging units is prohibited.

When small load carriers are delivered on a pallet, the uppermost layer must form a planar surface.

The supplier must assure acceptable conditions of pallets, box pallets and other containers in accordance with the exchange criteria of the [European Pallet Association EPAL](http://www.epal-pallets.org) (Internet: <http://www.epal-pallets.org>).

The packaging must be clean. The general VDA cleanliness standards and conditions for the delivery and manufacturing areas must be adhered to.

Special requirements apply to electrostatically sensitive parts. VDE, DIN and legal regulations must be observed wherever they are applicable.

Mixed shipments are permitted unless otherwise agreed upon. The number of mixed shipments must be minimized. Identical parts must be distributed among the smallest possible number of shipping units.

### 3.3 Identification marking of the shipping units

#### 3.3.1 Types of identification

The supplier must identify all shipping units with a master label. The following minimum information is required:

- Carl Walther GmbH & Co. Produktions KG article number
- Total quantity
- Name of supplier / supplier number

For non-homogeneous shipping units (mixed packs), the supplier must assure that

- the transport packaging is identified as a “mixed shipment”;
  - all Carl Walther article numbers contained in the pack are provided with individual total quantities, and
  - different revision levels within a shipping unit are physically segregated from one another and are clearly identified.

The smallest packaging units must always be provided with barcode identification. Implementation of this identification must be coordinated with Carl Walther GmbH & Co. Produktions KG. All barcodes must be implemented in GS1-128 code.



Label information:

- Carl Walther article number
- Quantity per packaging unit
- Name of supplier / supplier number
- Lot identification

The master label and any goods sub-labels must be applied to the outside of the boxes so that they are clearly visible. Excess deliveries and residual quantities (if accepted by the plant) must be clearly marked as residual quantities.

If agreed upon with the plant, when the Kanban process is used, the supplier may need to attach Kanban cards to the containers.

The Kanban cards are provided by Carl Walther.

### 3.3.2 Format and attachment

| REGION    | STANDARD   |
|-----------|--|
| A. Europe | <p>The master label for the shipping unit must have the format DIN A5 landscape.</p> <p>The sub-goods label must have the format 210 x 74 mm (VDA standard).</p> <p>The fasteners on the small load carrier must be used.</p> <p>Adhesive labels are prohibited.</p> <p>The formats comply with the VDA standard</p> |

### 3.4 Shipping notification (for freight forwarding process)

The supplier must send an advance shipping notice to the authorized freight company in a timely manner under consideration of fulfilling the arrival date at Carl Walther GmbH & Co. KG.

The SUPPLIER provides the freight company with all data relevant to the shipment.

These include the following:

- Pick-up address:
  - Address of SUPPLIER
  - Supplier number at Carl Walther (per production release)



- Pick-up date indicating delivery time at delivery address:
- Address of unloading point
- Number, type of shipping units and loading meter if applicable
- Gross weight
- Number and type of empty containers (small load carrier, blister, pallet)
- Declaration of customs status if applicable

The supplier handles transport commissioning (shipping advice) to the freight company selected in coordination with Carl Walther via EDI/Web-EDI. Until the use of EDI/Web-EDI is implemented, the notification forms and procedures of the particular freight company are used.

The freight company picks up the goods within a defined time window or at a certain time of day individually arranged between the supplier and the freight company.

The supplier gives notification of hazardous goods shipments separately. In the case of hazardous goods, the supplier assumes responsibility for providing all required hazardous goods documents, completed correctly and in full, to the freight company picking up the goods.

### 3.5 Shipping documents

To identify each shipment, the freight company generates a separate transfer document for transfer to the given receiving point.

To document the shipments, the SUPPLIER usually provides the freight company with the following information:

#### 3.5.1 Delivery note

- Consignor address
- Supplier no.
- Recipient address (unloading point)
- Total quantity of the delivery and quantity per shipping unit
- Usage identifier (optional)
- Carl Walther article number including quantity and type of packaging (e.g., small load carrier, packet, euro pallets)
- Number of bag packaging units used per order
- Delivery note no.



- Order no. / blanket order number
- Lot number and, if applicable, minimum storage life (optional)
- Part change level / revision level

### 3.5.2 Shipping documents

Shipping order VDA 4922

### 3.5.3 Customs documents

The supplier provides the freight company with all documents needed for customs clearance; this also includes preferential origin documents and any applicable national certificate of origin.

| REGION    | STANDARD                                |
|-----------|---|
| A. Europe | EUR 1, UZ FORM A and commercial invoice |

## 3.6 Security in the movement of goods

In submitting a "Security Declaration" (for latest regulations, form sheets and explanations see home page of LBA: [www.lba.de](http://www.lba.de)) the supplier declares to all hired service providers (regulated agents) that it is a "known consignor" according to VO (EC) 2320/2002 and pledges to fulfill the resulting requirements. In air freight, it is, as a rule, only permitted to work together with "regulated agents". Deviating from this, it is permitted to work with service providers who have not been authorized as "regulated agents," provided that a "Subcontractor Declaration" has been obtained.

A written declaration for shipping documents is necessary for air freight and recommended for other modes of transport. It cannot be ruled out that the type of transport might be changed to air freight, or that a secondary transport step might involve moving the goods by air freight.

## 4 Logistics quality

### 4.1 Supplier results evaluation – logistics

### 4.2 Logistics claims

The trigger for a logistics claim is a fault in processes at Carl Walther that was



caused by suppliers.

Logistics claims are documented according to the type of error and the resulting costs.

In the case of noncompliance with the regulations set forth in the Supplier Manual Logistics, Carl Walther reserves the right to decline acceptance of the shipment and/or to invoice for consequential added costs (e.g., warehousing, repacking, disposal, return of packaging materials, increased handling effort, costs for production downtime, etc.).

In case of a logistics claim, the supplier is promptly informed and asked to analyze the error pattern and initiate corrective measures. The supplier must process and document a logistics claim by Carl Walther; it is recommended that the supplier do this in accordance with 8D methodology. Carl Walther can request documentation.

If necessary, Carl Walther can perform a logistics audit based on the supplier's logistical self-evaluation.

## 5 Outlook

Carl Walther is continually striving to improve logistical processes for incoming and outgoing goods and materials. This will also involve changing requirements for suppliers in the future as well.

The goal is to establish the most uniform requirements and reduce the number of logistics concepts to a minimum.

The primary focal points will be:

- To assure the e-business capabilities of suppliers and to further extend digitalization of the supply chain via EDI / Web-EDI.
- To introduce relevant PPS control and transport concepts per Koss
- To implement measures for simplifying empty container processes
- In these efforts, the proactive participation of Carl Walther suppliers and service providers is urgently required and very much desired.

## 6 Acronyms

|     |  |
|-----|--|
| ABS | Acrylonitrile butadiene styrene                      |
| ASN | Advance shipping notice (German: LuT) AT<br>Work day |
| DFÜ | Remote data transfer                                 |



|               |   |
|---------------|---|
| DIN           | Deutsche Industrie-Norm<br>(German industrial standard) EDI<br>Electronic data interchange  |
| EDL           | External service provider   |
| EPP           | Expanded polypropylene  |
| EPS           | Expanded polystyrene  |
| ESD           | Electrostatic discharge   |
| EN            | European standard   |
| EU            | European Union  |
| Kanban system | Materials release control by need-based control adopted from Toyota's production system     |
| KLT           | Small load carrier  |
| LAB           | Production release  |
| LBA           | German Federal Aviation Administration  |
| LBW           | Stock movement  |
| Milk run      | Transport concept with defined routes and regular pick-up intervals                         |
| PE            | Polyethylene  |
| PP            | Polypropylene   |
| PPS           | Production planning system  |
| PS            | Polystyrene   |
| PVC           | Polyvinyl chloride  |
| VDA           | Verband der Automobilindustrie<br>(Association of the German Automotive Industry)           |
| VDE           | Verband der Elektrotechnik<br>(Association of the German<br>Electrical/Electronic Industry) |
| Web EDI       | EDI over the internet, contents are displayed and/or input via an internet browser          |

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