

Supplier Pallet Control Procedures Communication

General Summary

This updated communication is to inform the changes in procedure for movement of CHEP and Loscam Pallets into Coles Distribution Centre's. It is important that this document is read and understood by all key stakeholders (Site Managers / Supervisors and Equipment Controllers). It is the supplier's responsibility for ensuring that their contractors comply with the pallet control procedures.

With the exception of the following DCs - 9288 Goulburn NSW, and 9711 Launceston TAS - pallets received into all Coles Distribution Centre's will be transferred onto the Coles account by using CHEP or Loscam equipment transfer documentation, preferably electronic printed dockets. Access to electronic pallet management systems is available from your pallet supplier as part of a standard service agreement. Please contact them for further support. DCs (9288 Goulburn - NSW, 9711 and Launceston - TAS), are a one for one pallet exchange only.

Sender Declares Rule

Coles now have in place a "Sender Declares" rule. The Sender is responsible for advising CHEP and Loscam of the transfer.

Delay Days

Coles applicable delayed days are:

- 33 days - all Ambient, Chilled and Liquor DCs
- 7 days - Fresh Produce DCs

Suppliers/Carriers are to use the date of receipt into Coles DC as the Despatch/Movement date. The Effective date is to be the date of receipt into Coles DC, plus the applicable delay days. If there are any questions regarding delay day effects on your invoice please contact CHEP or Loscam Customer Service.

Receiving Documentation

Coles suppliers are required to provide 2 copies of CHEP or Loscam equipment documentation when delivering stock into a DC. Electronic printed dockets are the preferred method, with one docket per load per sending account (not multiple dockets for one load). Each docket must be correctly filled out with the dispatching and receiving account numbers. Both copies of the dockets will be stamped, signed and dated by the DC.

Note: One copy will be retained by the DC for reconciliation, the other will be returned to the driver. Drivers are to ensure that all paperwork is stamped before leaving the site. If a delivery is received without relevant equipment documentation or is incomplete, then a Missing Docket (MD) will be issued.

Missing Dockets

A Missing Docket (MD) is issued to a carrier / supplier when pallets are received at a DC with no or incomplete paperwork. A MD provides the details of the delivery for use to raise CHEP or Loscam equipment documentation. A newly raised docket, together with the white copy of the MD, must be returned to the DC. Original MDs can be returned to the receiving DC by hand or scanned and emailed to the DC Pallet Controller. Return by any of these methods must occur within 90 days, for the transfer to be honoured.

Once an MD has been submitted by email, the original of that MD shall be deemed cancelled and Coles shall have no liability to honour the original MD.

The new equipment documentation will be processed at the date of its return to the DC; it will not be backdated to the date of delivery.

Coles Collect Carriers

Coles Collect requires all pallets to be transferred to carriers' accounts, unless alternative arrangements have been approved by Coles Collect. This will ensure that transfers to DCs become the responsibility of the Coles Collect carriers and streamlines the pallet process.

Pallets should have an effective transfer date of 33 days following the due delivery date into DC and not 33 days from pickup date.

All transfer dockets must be stapled to the top of pickup paperwork. Where a local carrier collects freight for line haul by a second carrier then transfer should be made to the local carrier.

Product Quality - Rejected Stock

At Delivery

If products received into a DC are rejected at time of delivery, the carrier delivering the stock must take the goods with them on departure. Equipment documentation will be adjusted to show the amended qty of pallets.

The carrier must sign the CHEP or Loscam equipment documentation to acknowledge that stock has been rejected.

After Delivery

If product received into a DC is rejected after the carrier has already left the DC, or if stock is being returned to a supplier, a Coles DC Con Note will be raised. A copy of the DC Con Note will accompany the stock.

The carrier or supplier who picks up the stock must sign the DC Con Note. This DC Con Note will act as the CHEP/Loscam transfer docket

Pallet Quality

Due to pallets being damaged through normal use, it is necessary to perform a quality check on pallets for any potential OH&S risks before delivering pallets to Coles.

We request that you only deliver pallets to Coles which meets the quality standards of the pallet suppliers, with specific attention paid to the following criteria:

- No missing or loose boards
- No broken boards or boards with cracks more than 50% across the width of the board.
- No pallets with boards that have been excessively pushed back by forklift impact.
- No missing owner logo
- No protruding nails

We also encourage you to take steps to minimise the damage caused to pallets by poor handling practices in the supply chain. These include:

- Forklift attachments to transfer the impact point from the pallet boards to the bearer.
- Best practice pallet-handling training for your staff.

Please contact your pallet supplier for more information on the tools available for checking pallet quality, forklift attachments and best practice pallet handling posters and training courses.

Poorly presented pallets impact our ability to unload your vehicles in a timely manner. If a pallet is not up to standard it should not be used to deliver stock to Coles and should be de-hired back to the asset owner.

Queries

Where it becomes necessary to query processing of equipment documentation with a DC; eg: Unprocessed docket, Quantity or Date corrections, it must be directed to the receiving Coles DC within 90 days from the delivery date.

If the DC approves the documentation (copy of DC stamped equipment documentation) supporting your claim, the transaction will be honored at the delivery date.

If a response is not received from the DC within 14 days, you should follow-up with the DC and escalate by adding a CC to the Returnable Assets Mailbox - Returnable.Assets@coles.com.au

Failure to follow this standard procedure may result in pallet claims not being honored.

Where can I get help / assistance?

DC related queries should be directed to the Equipment Controller at each individual DC.

General Enquires for Coles Pallet Control, including DC account numbers & contact details, should be directed to Returnable.Assets@coles.com.au by email.

Should you require any assistance relating specifically to your pallet account, please contact the customer service team of your pallet supplier.