



Supplier Manual – Raw materials, packaging and finished goods

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Retail Zoo Supplier Manual – Raw materials, packaging and finished goods

1. Introduction

1.1 Purpose of Manual

Retail Zoo has set out additional requirements that apply to its suppliers of goods in this Supplier Manual – Raw material, packaging and finished goods (“**Manual**”).

1.2 Format

This Manual serves to provide suppliers with the following:

- (a) information on the supply of Goods to the Customers; and
- (b) terms and conditions that apply to the supply of Goods to the Customers in addition to those set out in the supply agreement between a supplier and Retail Zoo (“**Supply Agreement**”).

1.3 Defined terms

Capitalised terms in this Manual will have the same meanings as in the Supply Agreement unless otherwise stated herein.

2. Requests for samples and pricing

2.1 Continuing development

The Customers are constantly formulating new products and therefore have an ongoing requirement for samples of new or previously seen raw materials, packaging and finished goods.

2.2 Request for samples and pricing

Samples and pricings of proposed new Goods may be requested by Retail Zoo through written request to a Supplier.

2.3 Supplier obligation

If Retail Zoo requests samples and pricing, the Supplier must provide the requesting party the requested sample along with the following information:

- (a) pricing on a FIS basis (including price breaks where applicable). FIS means free-into-store and shall have the same meaning as “Delivered Duty Paid (“DDP”)” as defined by the Incoterms 2010, published by the International Chamber of Commerce. The destination will be the Customer Premises specified by Retail Zoo in writing;
- (b) any minimum purchase quantity; and
- (c) Supplier's proposed Specification for the Goods, as detailed in clause 2.4.

2.4 Specification

The proposed Specification information required to be provided by the Supplier is:

- (a) Product Specification Sheet; and
 - (b) Australian Food and Grocery Council Product Information Form.
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2.5 Supplier Approval

Once the samples and product information has been received they will be evaluated. If deemed acceptable, and if a new Supplier, clauses 3 and 4 of this Manual will apply. If the Supplier is an approved existing supplier to the Customer, clause 3 will not apply but clause 4 will apply.

3. New Supplier – process of approval

3.1 Approval process

To obtain “Approved Raw Materials, Packaging and Finished Goods Supplier” status from Retail Zoo, the following forms must be completed and returned, with any additional supporting documents required from the Supplier, to Retail Zoo:

- (a) Approved Supplier Questionnaire; and
- (b) Supply Agreement (including this Manual as a schedule to it) duly signed by the Supplier.

3.2 Audit

Once received, the forms will be evaluated. An on-site audit may be required by Retail Zoo at this time. Upon completion of the evaluation, Retail Zoo will confirm to the Supplier its appointment by way of a 'Confirmation of Supplier Assurance Status' and provide the Supplier with a counterpart of the Supply Agreement executed by Retail Zoo.

4. Approved Supplier – process of approval for Goods

4.1 Customer confirmation of approval

Upon assessment of the sample and evaluation of documentation, the Customer will either approve or reject the proposed Goods.

4.2 Specification

For the purposes of this Manual and the Supply Agreement, the “**Specification**” for any Goods will be:

- (a) the documentation submitted by the Supplier under clause 2.3(c) and approved by the Customer under clause 4.1; and
 - (b) any general product specifications and operational specifications and requirements as set out in this Manual.
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5. Process to supply Goods

5.1 Purchase Order

Once a Supplier is approved and Goods to be supplied have been approved, a Supplier will receive Purchase Orders for those Goods from Permitted Customers from time to time.

5.2 Placement

Purchase Orders are placed:

- (a) by email; or
- (b) by telephone or email, followed by a posted or faxed confirmation of a Purchase Order.

5.3 Receipt

On receipt of the Purchase Order, where the Supplier is unable to meet the full requirements, then the Supplier is to immediately contact the Permitted Customer to advise of any inability of the Supplier to supply the Goods as set out in the Purchase Order, including where insufficient lead time has been allowed (in which event the Permitted Customer may decide to reissue a Purchase Order with variations to accommodate the Supplier's capacity).

5.4 Supplier Compliance with Supply Agreement

Supply must be in accordance with and in compliance with this Manual, the Supply Agreement and the applicable Purchase Order.

5.5 Supplier responsibility

Once confirmed, it is the Supplier's responsibility to ensure that delivery is made within the required time periods. No additional freight charges will be accepted by the Customer.

5.6 Supplier fault or error

In the event the Customer incurs additional cost as a result of Supplier fault or error, the Customer reserves the right to claim reimbursement of these amounts from the Supplier.

5.7 Compliance with Specification

As set out in the Supply Agreement, should Goods supplied by the Supplier not conform to the item Specification, the Customer reserves the right to reject the Goods unless the Customer decides in its absolute discretion to make a one-off concession (in which event any additional costs incurred due to the concession may be recovered from the Supplier at the discretion of the Customer).

5.8 Variation to Specification

As set out in the Supply Agreement, if at any time, the Supplier:

- (a) deviates from the Specification;
- (b) changes the source of supply of the Goods; or
- (c) changes any supplier to the Supplier,

written notification must be provided to the Customer, and the Customer must provide written consent prior to any material being supplied to the Customer or produced by the Supplier, to the new Specification or from the different means or source of supply.

5.9 Relocation of place of manufacture

- (a) Should the Supplier or a Supplier third party relocate the place of manufacture of any Goods that are supplied to the Customer, notification of such relocation must be given to the Customer.
- (b) The Customer may require a revised Specification and sample prior to providing consent to the new place of manufacture. This must be done prior to actual supply of the Goods.
- (c) The Customer must provide written consent to the new Specification or from the different means or source of supply, prior to any Goods being supplied to the Customer from, or produced by the Supplier at, the new place of manufacture.

5.10 Certificates of analysis and certificates of conformance

Where certificates of analysis (“COA”) or certificates of conformance (“COC”) are required for Goods, as set out in the applicable Specification, these must be sent by surface mail or fax prior to the delivery of Goods to the Customer. It is critical that the COA or COC be supplied and received by the Customer prior to the actual delivery of Goods.

6. Pricing

6.1 Price approval

The price for Goods will be the price as confirmed in the Supply Agreement, as increased from time to time in accordance with the terms of the Supply Agreement and the remainder of this clause 6, and as shown on the Customer Purchase Order.

6.2 Prior notice of price changes

Proposed price increases must be advised at least three (3) months prior to the implementation, unless otherwise agreed by the Customer. All price increase notifications must be given to the Customer in writing and specify the date on which the increase will come into effect.

6.3 Price changes to be approved by Customer

All price changes must be approved by the Customer in writing prior to the change taking effect. The Company is under no obligation to accept a price increase.

6.4 No retrospective increase

Without limiting clauses 6.2 and 6.3, retrospective increases are strictly prohibited.

6.5 FIS basis

All prices should be quoted on a FIS basis as specified in clause 2.3(a) unless otherwise agreed by the Customer.

6.6 No general price increase

A general price increase notice will not be considered official notification. A detailed notice of proposed increases identified by each item purchased by the Customer, and supporting material to validate the increase, is required.

6.7 Improper notification

Increases charged without proper notification and approval will not be accepted and the invoice(s) will not be processed. As set out in the Supply Agreement, the Price payable will be as set out in the Purchase Order accepted by the Supplier, and the Customer will include in its Purchase Order the Price based on the then-current approved pricing.

7. Delivery - paperwork requirements

7.1 All Goods delivered must have correct delivery paperwork

Correct delivery paperwork must accompany all Goods delivered to the Customer Premises, which must comply with the requirements set out in clause 7.2 and the Supply Agreement. A freight consignment note is not considered correct paperwork.

7.2 Contents

Delivery paperwork must have all of the following information:

- (a) invoice for Goods or Services;
- (b) copy of COA or COC previously sent under clause 5.10;
- (c) Customer Purchase Order number;
- (d) total quantity of Goods being delivered;
- (e) total number of packs being delivered;
- (f) pack size;
- (g) Customer product descriptions of the Goods being delivered;
- (h) Customer product codes of the Goods being delivered;
- (i) batch number(s) or packing date;
- (j) correct delivery address as specified on the Purchase Order;
- (k) clear identification of any Goods that require cold or freezer storage; and
- (l) clear identification of any dangerous Goods.

8. Delivery – labelling requirements

8.1 Outer packaging

Each outer pack (bag, carton or drum) must clearly show:

- (a) Customer description of contents;
- (b) Customer product code;
- (c) net weight of contents;
- (d) batch number, date of manufacture and best before date; and
- (e) Supplier's name and address.

8.2 Imported foods

Imported foods shall also display the following:

- (a) EC code;
- (b) country of origin (including country of production and country of packing); and
- (c) name and address of consignee.

8.3 Labels

Labels must not be stapled onto containers and shall be non-odorous and non-toxic.

9. Delivery – packaging requirements

9.1 General requirements

The following standards apply to all packaging of Goods:

- (a) packaging must be clean and free of tears or damage of any kind;

- (b) no bag or pallet may show any evidence of bird or animal excreta or any other evidence of bird, rodent or insect infestation;
- (c) all packaging must be food grade quality and offer adequate protection for the material during transit and storage;
- (d) any container requiring manual handling must be no more than 15kg net pack size, unless previously agreed in writing with the Customer;
- (e) bulk pack sizes must be between 200 litres and 1000 litres; and
- (f) if recycling is a requirement under the law of the country in which the Goods are to be delivered or used by the Customer, the packaging must be recyclable or re-useable outside the public waste disposal system.

9.2 Bags

- (a) Polythene bags used for ingredient packaging must be food grade, preferably blue, clean, not previously used, dry, and free from foreign odours, infestation and contamination.
- (b) Polythene bags shall be sealed by knotting or heat sealing. Use of metal fasteners, rubber bands or binder twine is not permitted. Alternative methods of sealing must be approved by the Customer prior to adoption and be clearly stated in the individual product Specification.
- (c) Woven and multi-walled bags shall be neatly sewn with coloured (not white) smooth finished twine or cleanly folded and glued. There should be no evidence of fraying of the bag mouth. Use of metal or plastic fasteners, staples, elastic rings, binder twine or clear tape is not permitted.
- (d) Aseptic bags shall have seal over filling bung. There shall be no product residue evident.
- (e) Foil bags must be heat/cold sealed with no product residue evident.

9.3 Cartons

- (a) All cartons should be robust, clean and free from foreign contaminants and pests.
- (b) Cartons shall be sealed with glue, coloured cello tape or woven polypropylene straps. Use of metals fasteners or twine is not permitted.
- (c) Carton liners are to be made of coloured polythene or foil and sealed.

9.4 Pails

- (a) Pails shall be made from plastic with a tamperproof lid, i.e.: breakable band, and have a secure handle.
- (b) Maximum net weight of pails shall not exceed 15kg.

9.5 Drums

- (a) Drums (whether new or reconditioned) must be clean inside and out, lined, and free from foreign matter (internal and external), holes, water ingress, corrosion (rust), flaking paint, infestation and contamination.
- (b) Openings/outlet shall be a minimum of 50mm in diameter through to full lid removal. Lids shall be tamper proof. Tamper proofing shall include such methods as lock pin in band clamp or metal over-caps for smaller outlets.

- (c) Fibreboard drums must be fitted with fibreboard lids (not wood) and must not contain staples.

9.6 Open Top Tubs

- (a) All tubs used to deliver raw materials shall be free from excessive damage and be clean.
- (b) Bin dimensions must not exceed 1240mm (W) x 1240mm (L) x 800mm (H).

9.7 Film

- (a) All film is to be stored and transported under cool, dry conditions.
- (b) Films are to have no residual solvent flavour or odour.

9.8 Bulk containers

- (a) All bulk bags used for dry ingredients shall be single use IT Australian Standard bags with bottom release.
- (b) All palletcons used for storage and distribution of wet ingredients shall be IT IBC/Pallecons.

10. Delivery – pallet and vehicle requirements

10.1 Supplier responsibility

It is the Supplier's responsibility to ensure that the Goods arrive in a clean state. All Goods should be stretch or shrink wrapped to provide protection. When an open flat top vehicle is used to transport Goods, the load must be protected with tarpaulins.

10.2 Multiple batches

Where the delivery is made up of more than one batch number, the batch numbers should be clearly shown on the outside of the delivery order and the different batches separated.

10.3 Multiple materials

When an order is made up of more than one type of Goods, the different Goods must be separated with cardboard and clearly identified on the outside of the order.

10.4 Identification

Pallet face sheets must clearly identify the Goods and the batch numbers.

10.5 Condition requirements

Vehicles and shipping containers used for transportation of Goods shall:

- (a) be fit for purpose;
- (b) be visually clean and free of strong odours;
- (c) be dry;
- (d) be free of floor, wall, roof or door damage;
- (e) be free from rodent and insect infestation;
- (f) be free from malodorous and oily materials;
- (g) be free from agricultural and other chemicals;

- (h) have container door seals in good condition and intact;
- (i) be packed so as to prevent damage to contents during transportation; and
- (j) be fitted with temperature measuring devices (if refrigerated).

10.6 Frozen or chilled foods

Vehicles used to transport chilled or frozen foods shall be pre-cooled. Chilling/freezing units shall be operational at all times during transport and at delivery.

10.7 Damaged materials

Materials received that have been damaged during transport due to exposure, poor stacking or movement during transport will not be accepted.

10.8 Delivery with animals, hazardous materials or other incompatible goods

Goods must not be transported by or delivered on a vehicle:

- (a) with hazardous or incompatible goods; or
- (b) carrying any animal or livestock. Such vehicles are prohibited from entering the Customer's property.

11. Delivery requirements – general

11.1 Container Shipments – special notes

Where a full container load shipment is consigned to the Customer, it is required that the total weight of the loaded container must comply with all Federal, State or Local Government regulations pertaining to the movement of such containers.

11.2 Points of delivery

- (a) Attention must be paid to the delivery point nominated at the time of order.
- (b) Common delivery points to the Customer stores or at nominated third party premises are listed on the Purchase Order.

11.3 Incorrect delivery

The Customer reserves the right to charge a relocation fee for Goods delivered to the incorrect address by the Supplier.

11.4 Delivery Times

- (a) Deliveries are to be made on the date and time specified on the Purchase Order.
- (b) Deliveries outside these times are only by special arrangement with the Customer store.

12. Delivery protocols

12.1 Protocols

The requirements listed below are a condition of entry to the Customer stores for the delivery or collection of Goods:

- (a) no smoking permitted on site;

- (b) drugs and alcohol are strictly prohibited on site;
 - (c) adequate enclosed protective footwear must be worn;
 - (d) when away from the vicinity of the delivery vehicle, a visibility vest must be worn. It is recommended such be worn at all times when outside the vehicle;
 - (e) no animals of any kind are permitted in the cab or anywhere on the delivery vehicle;
 - (f) the delivery vehicle's engine must be turned off, and the driver vacated from the cab, prior to and during loading/unloading operations;
 - (g) the driver must remain within close proximity of the vehicle while any loading/unloading is completed;
 - (h) drivers must count the correct number of items being unloaded/loaded and provide a signature along with the driver's name legibly printed; and
 - (i) all drivers, contractors and visitors must comply with all reasonable and lawful instructions or requests given by the Customer authorised personnel, while they are at Customer stores.
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13. Storage of Goods

13.1 Storage conditions

Goods shall be stored in a clean, dry, well-ventilated area, away from direct sunlight and from oily, odorous or highly scented materials and hazardous chemicals.

13.2 Frozen Goods

Frozen Goods shall be stored under suitable conditions at temperatures of minus 18°C or colder.

13.3 Chilled Goods

Chilled Goods shall be stored under suitable conditions at temperatures of 1°C to 5°C.

13.4 Stock rotation

Strict stock rotation shall be carried out.

14. Food standards code

14.1 Compliance obligation

It is a requirement that manufacturing practices used and products supplied to the Customer comply with the Australia New Zealand Food Standards Code (as amended).

14.2 Compliance standards

Goods supplied must be compliant with relevant standards and legislation including but not limited to the standards and legislation specified in the Supply Agreement.

14.3 Certification

The Supplier agrees to maintain certification of an appropriate food standard accreditation system that must, as a minimum, meet the requirements of HACCP (Codex Alimentarius)

Alinorn). It is incumbent on the Supplier to advise the Customer immediately if this accreditation lapses, is suspended, terminated or withdrawn.

15. General specification of Goods

15.1 Minimum shelf life requirement

- (a) Where Goods supplied have a shelf life of less than 2 years from date of manufacture or processing, the minimum shelf life remaining upon delivery of the Goods to the Customer must be at least 75% of the total shelf life.
- (b) Where Goods supplied have a shelf life of 2 years or greater from date of manufacture or processing, the minimum shelf life remaining upon delivery of the Goods to the Customer must be at least 50% of the total shelf life.

15.2 Chemical residues

The material shall comply with maximum residue limits as set out in the ANZ Food Standards Code. Levels shall also comply with limits prescribed by the joint FAO/WHO Codex Alimentarius Commission.

15.3 Heavy metals

The material shall comply with heavy metal limits as set out in the ANZ Food Standards Code. Levels shall also comply with limits prescribed by the joint FAO/WHO Codex Alimentarius Commission.

15.4 Microbiological limits

All Goods shall comply with the microbiological parameters outlined in the agreed individual product Specification and any limits specified in the ANZ Food Standards Code.

15.5 Physical Specification

- (a) Critical defects:
Goods must not be contaminated with foreign matter such as glass, wood, bone, stones, metal or plastic. It is the responsibility of the Supplier to have adequate systems and equipment in place, i.e.: metal detectors, to prevent such contaminants entering and/or remaining in the Goods.
- (b) Infestation:
Goods shall be free from evidence of birds, rodent and insect infestation.

15.6 Bovine Spongiform Encephalopathy (“BSE”) and Transmissible Spongiform Encephalopathies (“TSE”)

- (a) All Goods supplied to the Customer shall be free from BSE and TSE.
- (b) It is the responsibility of the Supplier to inform the Customer of the use of any meat or meat products from countries other than Australia and New Zealand.

15.7 Ethylene Oxide/Irradiation Treatment

All Goods supplied to the Customer will be from non-gamma irradiated and non-ethylene oxide treated origin.

16. Rejection of Goods

16.1 Basis for rejection

The Customer reserves the right to reject any Goods supplied that fail to comply with this Manual or the Supply Agreement.

16.2 Rejection before unloading

When Goods have been rejected before unloading and not removed from the transport vehicle:

- (a) the Supplier should arrange for immediate replacement to be made;
- (b) advise the Customer of the estimated arrival time of replacement Goods; and
- (c) if an invoice has already been raised, that a credit will be issued to cover.

16.3 Goods received into store

When Goods have been received into store prior to rejection by the Customer store:

- (a) the Customer store will advise the Supplier of the rejection and the Customer store will issue a claim to the Supplier;
- (b) the Supplier shall arrange for the prompt removal of the reject Goods. This should occur no more than three (3) working days after rejection unless the Goods are subject to insurance investigation or similar circumstance. Where the Goods are rejected due to any kind of infestation, the Goods are to be removed the same day as the infestation is reported to the Supplier;
- (c) additional costs incurred as a result of rejection where there has been loss of product and/or other raw materials, packaging and finished goods, will be charged to the Supplier; and
- (d) a credit will be issued for the original delivery and the replacement Goods will be re-invoiced by the Supplier.

17. Supplier audits

17.1 Ongoing review

All approved Suppliers are subject to the process of ongoing review for both performance and quality, by way of audits carried out under the Supply Agreement.

17.2 Corrective action

Following the audit, a corrective action schedule will be issued where required and the Supplier is required to correct deficiencies within an agreed time frame. A re-assessment will be carried out on a date specified in the corrective action schedule.