



Guidelines for Suppliers

Announcing deliveries via ASN

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1. Introduction

One goal of the HOFER S/E Group is to guarantee transparency throughout the individual stations of the supply chain and to obtain logistics information from electronic supplier notifications (advanced shipping notices, ASN). We therefore ask suppliers to affix transport labels and transmit load carrier information by submitting an ASN.

This policy aims to establish the use of ASN for announcing deliveries to our company's distribution centres as a uniformly mandatory action for all suppliers and logistics providers, and provide information about the technical possibilities.

1.1 General information

The advanced shipping notice (ASN) will become the foundation of every delivery of merchandise goods as part of the software update in HOFER KG's distribution centres. Receiving goods without prior transfer of an ASN is only possible with a great deal of extra effort. It is therefore necessary that these electronic documents are forwarded in advance to our warehouses in complete and correct form before the goods are received. HOFER KG offers various technical possibilities for this, which are described in this document.

The details of the ASN provide the basic information for receiving goods in warehouses, as well as other factors such as the physical condition of the goods or the delivery temperature. As part of the future process for receiving goods, the data from the ASN (load carrier, quantities, BBDs, batches, etc.) will be compared with the physically delivered goods and confirmed and/or corrected in our system and then finally adopted. For a fast processing of the received goods, it is essential that the ASN contains all necessary information. This will reduce the levels of efforts and waiting times for the affected logistics providers.

As an important piece of information, the ASN must specify the transported load carriers, which can be identified according to the GS1 standard using a physical label and unique number (SSCC¹). Information and requirements regarding the content and layout of the labels have been made available in a separate document. In general, HOFER KG follows the applicable GS1 standard.

1.2 Scope of validity

The ASN is required for every distribution centre where the relevant software update has been implemented. The following validity periods are defined in this regard:

- Rietz region, Hofer Straße 1, 6421 Rietz
 - All deliveries from **21 September 2020**

Further dates regarding the system transition of the remaining Austrian warehouses and companies of the HOFER Group S/E will be added once they are known and communicated to the business partners with sufficient lead time.

The gradual procedure for the update means that during a transition period, the notifications must be created for individual warehouses but not yet for distribution centres that will be migrated at a later stage. Once the transition of the entire HOFER Group S/E has been completed, the notifications will be mandatory for all.

¹ Serial Shipping Container Code
<https://www.gs1.at/identifikationsnummern/transporteinheitenidentifikation-sscc.html>

2. Organisational requirements

- 1) According to best-practice processes, the ASN is to be created and forwarded by the sender once the goods have been loaded.
- 2) The notification is to provide an exact picture of the expected delivery. **Particularly in cases where orders are handled via multiple deliveries, e.g. by several trucks or partial deliveries, separate (partial) ASNs must be created.** In case the order is divided into two trucks, two ASNs with the respective amount must be created. Please be aware that the correct load carriers are assigned to the respective ASN. If only one ASN has been transmitted for several partial deliveries, it is necessary to generate a new purchase order for the remaining partial deliveries. The purchase order is automatically sent to the supplier and must be ignored and never be delivered.
- 3) The delivery dates specified by the business partner on the ASN must be adhered to. In the standard product range with the delivery condition EXW, the delivery date can be found in the order. For specials with delivery condition EXW the earliest possible delivery date must be announced.
- 4) The delivery note must match the data transmitted in the ASN and the goods actually delivered. The explicit assignment to the purchase order must be ensured by affixing the PO number to the delivery note. In addition, the ASN number and the Order GTIN must be visible on the delivery note. The supplier has to create the delivery note and deliver it with the goods.

3. Content specifications

Irrespective of the method of transmission, the advanced shipping notice must contain the following information:

- 1) Delivery date
- 2) Load carrier
 - a. Identification (SSCC)
 - b. Product code (Order GTIN)
 - c. Number of cases per pallet

If applicable to the products in question:

- d. Best-before date (BBD)
- e. Batch

1) Delivery date

The date provided must correspond to the date of the physical delivery of the goods to the target location, e.g. the warehouse of HOFER KG, taking into account our local warehouse opening times. We expect the delivery date specified in the order to be adhered to. Changes may be arranged provided that these are discussed in advance with our Corporate Buying department.

2) Load carrier

The load carrier delivered to HOFER distribution centres is normally a pallet (Euro or Düsseldorf pallet), but may differ from this (plant containers etc.). The composition and related qualities of the transported goods on these load carriers are a part of goods receiving and the actual quantity and condition of the goods need to be entered. The build of each pallet must be systemically and physically consistent. Thus, 10 delivered Düsseldorf pallets need to be announced as 10 LPNs in the ASN.

a. Identification (SSCC)

The unique identification number of the pallet must be entered by the business partner according to the GS1 standard. Details on the display of the SSCC code and printing of the related barcode are

described in the separate pallet labelling specifications and/or in the GS1 standard². Please note that the SSCC must be unique for each load carrier delivered and must not be repeated.

b. Product code (Order GTIN)

During the software transition, the Order GTIN will replace the ALDI product number that was used in the previous supplier communication (e.g. the purchase order). Therefore, the Order GTIN must be stated on the ASN for us to be able to allocate the transmitted data. It must be ensured that the correct Order GTIN is used. The Order GTIN can be taken from the related purchase order and added to the ASN.

If the Order GTIN is changed, for example due to a change to the pack size or case mix, it must be ensured that the ASN contains the correct information and matches the goods being delivered. Deviations from the purchase order are not permitted and must be discussed in advance with the HOFER KG's Corporate Buying department.

c. Number of cases

The ASN must specify the exact amount of goods ordered and physically transported on the individual load carriers. This normally corresponds to the number of cases on the delivered pallets.

d. Best-before date (BBD)

The correct BBD must be specified for each load carrier for all food products. If products with varying dates are loaded onto one load carrier as a result of case mixes or palletisation, the earliest date must be used for the labelling.

e. Batch

To ensure transparency within the supply chain from production up to the store, batches will be maintained and tracked in our future system. Several batch numbers may be entered per load carrier in accordance with technical restrictions (character length, etc.).

For products that have a legal basis of mandatory batch tracking in the target country, the sender must ensure batch-specific palletisation.

Example – For a delivery notification of two food products that will be delivered in 100 cases each on six Euro pallets in total, the following data are to be entered:

Delivery date = actual delivery date

| Load carrier (SSCC) | GTIN | Cases | BBD | Batch |
|---------------------|-----------|-------|-------------|---------|
| 123450000010000011 | Product 1 | 30 | 31 December | |
| 123450000010000028 | Product 1 | 30 | 31 December | |
| 123450000010000035 | Product 1 | 20 | 15 December | |
| 123450000010000042 | Product 1 | 20 | 15 December | |
| 123450000010000059 | Product 2 | 50 | 24 December | H012345 |
| 123450000010000066 | Product 2 | 50 | 24 December | H012345 |

² https://www.gs1.org/docs/tl/GS1_Logistic_Label_Guideline.pdf

4. Ways of transmitting the ASN

The following technical possibilities are to be used for the creation and transmission of the ASN and are described in more detail below:

1. Electronic Data Interchange (EDI)
2. Online portal (Manhattan SE/AS Portal)

4.1 Electronic Data Interchange (EDI)

4.1.1 Introduction

The integration of EDI will enable business partners to quickly exchange notifications between systems via technical interfaces without the need to manually switch between media. This will reduce the effort for manually receiving and forwarding data in the relevant programs.

Electronic transmission via the EDI standard has been offered by the HOFER S/E Group since 2016 for some types of notifications (purchase order, invoice) and has been further upgraded and adapted as part of the software transition. The possibility of transmitting the ASN (technical notification type in the context of EDI = DESADV) offers the basis for a new and valuable milestone in the creation of an integrated supply chain and the exchange of electronic documents.

The advantage of the EDI connection is that the process of creating and sending notifications on your side can be integrated and possibly automated within your systems. This depends on the possibilities of the software that you use and the related infrastructure.

4.1.2 Technical setup and content

The exact details for the transmission of the ASN data will be prepared, documented in the Message Implementation Guidelines (MIG) and made available by the responsible technical team of the HOFER S/E Group. The implementation of these guidelines is the responsibility of the business partner and/or the EDI service provider that the business partner has commissioned

The content of an ASN that was mentioned in the previous chapter can be communicated in an EDI notification.

Important: The use of EDI notifications makes it possible to use the Serial Shipping Container Codes (SSCC) generated by the business partner to identify the pallets. When using the alternative transfer in the online portal (please see Chapter 4.2), the SSCC, which you will also need to physically attach to the load carrier, will be predefined. In this case, you cannot use your own identifications in the ASN.

4.1.3 Connection between the supplier and HOFER

For the technical connection between the business partner and HOFER, we will use the EDI service provider OpenText, with whom we already have a business relationship. Their task as part of the onboarding phase is to make it possible to exchange standardised messages. This requires active support from suppliers who may use different technical possibilities or have different standards of communications (X.400, AS2, etc.).

The costs for setting up the technical connection will be borne by HOFER KG. In turn, we kindly ask for your cooperation in the collaboration with OpenText.

Contact the HOFER EDI team: edi@hofer.at

4.2 Online portal (Manhattan SE/AS Portal)

4.2.1 Introduction

The standard software of the company Manhattan Associates will become a permanent part of the future software structure of the HOFER S/E Group. Manhattan offers an online portal that can be used by our business partners for various processes, including to create an ASN. This document describes the basic options provided by the portal. More detailed training materials will be made available separately by the responsible technical team.

4.2.2 Access to the online portal

The Manhattan SE/AS Portal is available via the Internet browser by calling up the HOFER-Portal (www.hoferportal.com) and entering the EmpowerID login data. In this scenario, it will not be necessary to implement your own solution and connect it via EDI.

The access will be activated for all suppliers with active contracts at the time of the software migration. This will happen independently of whether you wish to establish a connection via EDI or not. New suppliers will be technically integrated by the Corporate Buying department by providing a relevant supplier contact.

No additional costs occur for the business partner for the set-up of the supplier access to the portal.

4.2.3 Creating the ASN

The online portal enables two different types of electronic delivery notifications, which are both based on purchase orders from the HOFER S/E Group:

| ASN at pallet level (LPN-level ASN) | ASN at product level (item-level ASN) |
|---|--|
| ASN 12345678 <ul style="list-style-type: none">• Pallet/SSCC 12345<ul style="list-style-type: none">○ Product 67890, quantity 10• Pallet/SSCC 12346<ul style="list-style-type: none">○ Product 67890, quantity 20• Pallet/SSCC 12347<ul style="list-style-type: none">○ Product 72000, quantity 15 | ASN 12345678 <ul style="list-style-type: none">• Product 67890, quantity 30• Product 72000, quantity 15 |

ASN at pallet level (LPN-level ASN)

This type of ASN is preferred by HOFER and should always be created if a connection via EDI is not possible.

The “LPN” (License Plate Number) ensures the unique description of a physical load carrier and normally represents a sent pallet and its composition in this context, as described in Chapter 3.

The creation in the Manhattan SE/AS portal offers the suppliers various possibilities to allocate goods and assign of best-before dates, etc. to load carriers and to transmit the advanced shipping notice to the HOFER distribution centres without delay.

Important: The LPN-level ASN via the Manhattan SE/AS portal specifies the SSCC numbers that should be used when creating this notification. These numbers must then be physically attached to the pallets to be loaded. The business partner must ensure in this case that the specified SSCC codes – in accordance with our requirements for labelling on load carriers – must be added to the pallets before the delivery to the distribution centres of the HOFER S/E Group. Providing the LPNs together with the shipping documents is not permitted.

ASN at product level (item-level ASN)

This form of ASN creation is exclusively possible in exceptional cases and following written permission from HOFER. Without written approval for an exception, the general guidelines will apply. All extra effort that arises due to incomplete ASNs will be invoiced from 21 September 2020 onwards.

This reduced form of supplier notification exclusively reflects which quantities of originally ordered products have been transferred to the distribution centres of HOFER KG. No information is included about the sent load carriers and their exact composition of goods including the BBD and batch information.

As the supplier has not transmitted this information in advance in this scenario, the logistics employees of HOFER KG will ultimately be responsible for allocating the actually delivered load carriers and the goods contained as part of the receiving goods process. This will therefore require extra resources and lead to waiting times for the logistics providers delivering their goods.

5. Special cases

Storage and delivery via external service providers

If the supplier outsources storage and delivery of goods to an external service provider, the supplier remains responsible for providing the ASN using the options mentioned above.

6. Final information

This policy pursues the objective of achieving a joint step towards a transparent supply chain as well as make logistics information available to all business partners for their optimum benefit.

These specifications will apply equally for all business partners as of **21 September 2020** with reference to the scope of validity stated in chapter 1.2. We reserve the right to publish amended specifications with adequate lead times and to provide information on updated policies at any time.

If our employees have to create the ASN due to the failure of the supplier or logistics service provider commissioned by the supplier to supply a useable ASN, a service fee will apply or we reserve the right to reject the delivery respectively.

Contact: businesspartner@hofer.at