

THE FARM FRITES POLAND SUPPLIER GUIDE

ED. 1, DECEMBER 2018





INTRODUCTION

Dear Suppliers,

This *Supplier Guide* covers the most important issues concerning cooperation between Suppliers and Farm Frites Poland (FFP).

The purpose of this Guide is to provide the most essential information regarding cooperation and efficient order completion.

Farm Frites Poland presents all its Suppliers with the *Code of Ethical Conduct*, the following of which is required by FFP as an intrinsic element of cooperation.

No *Commercial Agreement* can be replaced by this *Guide* as it is intended for instructional purposes only (except for fulfilment of obligations arising out of a sales agreement or this *Supplier Guide*).

Any publication, dissemination, distribution of this *Guide* or its use in any other form is prohibited unless an explicit consent of FFP has been obtained.

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PART I

SUPPLIERS OF PACKAGING MATERIALS AND FOOD ADDITIVES

CHAPTER 1 – STARTING COOPERATION

1. BASIC CONDITIONS

When starting cooperation with Farm Frites Poland, a Supplier shall undertake to adhere to the guidelines established by the company, submit required documentation, guarantee a high quality product and maintain efficient communication between the parties.

1. QUALITY AND SAFETY

Suppliers shall undertake to deliver a product which meets the product specifications. The product must be safe and of adequate quality as well as satisfy relevant legal requirements. Suppliers shall take proper corrective and preventive actions to prevent the occurrence or recurrence of nonconformities and ensure that their employees receive proper occupational health and safety training.

2. LEGAL REQUIREMENTS

One of the essential requirements FFP expects its Supplier to meet is the guarantee that the Supplier complies with applicable national and EU laws and regulations in all areas of their business operations and that the same is expected from all cooperating entities.

3. AUDITS

The quality of materials and services provided by Suppliers should guarantee the manufacture of a product whose quality is as declared by FFP. A Supplier shall carry out continuous monitoring in their company and conduct internal and external audits.

As part of an ongoing cooperation, a Supplier shall enable FFP representatives to conduct external audits, the scope of which is described in **Annexe F2 4.3- Audit Form**.

4. TEST

Once submitted documentation has been approved, a Supplier shall receive a request from FFP Logistics Department for a sample of material to be sent for a laboratory test. If the test is successful, the Supplier is entered on our List of Suppliers. The information about the test result is sent to the Supplier by our Logistics Department.

5. DELIVERY TO FFP

Once the cooperation between a Supplier and FFP has been successfully started, the former one is required to submit:

- a *Certificate of Analysis (CoA)* accompanying each delivery of a food additive. The guidelines as to the required contents of a CoA are included in **Annexe F6 4.3 – Guidelines for CoA**.

II. DOCUMENTATION REQUIRED FROM SUPPLIERS OF FOOD ADDITIVES

In order to start cooperation and introduce a new product, a Supplier is required to deliver proper documents to Farm Frites Poland:

1. FOOD ADDITIVE MANUFACTURER:

- Product Passport – **Annexe F4 4.3**

It should contain the manufacturer's details, information about the company's quality certifications, description of the manufacturing process, the product composition and characteristics, information about any allergens and storage conditions.

- Product specification.
- External audit certificate, e.g. BRC/ISF/ISO 22000/FSSC 22000.



2. FOOD ADDITIVE DISTRIBUTOR:

- Product Passport – **Annexe F4 4.3**
Please provide contact details, and in the subsequent parts, give **the manufacturer's details and enclose the manufacturer's certifications.**
- Product specification.
- External audit certificate, e.g. HACCP/ISO 22000, or BRC Agents and Brokers.

III. DOCUMENTATION REQUIRED FROM SUPPLIERS OF PACKAGING MATERIALS

- Declaration of Compliance. The guidelines on the content of a Declaration of Compliance for packaging materials used in Farm Frites Poland are given in the following annexes:
Annexe Z2 4.3. Guidelines for Declaration of Conformity for packaging materials used in Farm Frites Poland SA (potato pancakes, French fries)
Annexe Z3 4.3. Guidelines for Declaration of Conformity for packaging materials used in Farm Frites Poland SA (potato flakes)
- Product specification.
- External audit certificate, e.g.: HACCP/ISO 22000 or BRC Packaging/IFS Food Packaging.

CHAPTER 2 – DELIVERIES AND RETURNS

I. TRADE DOCUMENTS

1. ORDER

Goods should be delivered only after an electronic order has been placed by FFP in accordance with a relevant order specimen. Taking an order to be filled is treated as accepting all the terms and conditions contained in it. Deliveries are required to be made on the dates and in accordance with any other instructions as specified in the order. FFP may refuse to accept a delivery if the order amount or completion time is different from that specified in the placed order.

The following are specified in each order:

- name and code of an ordered product and its quantity
- net order value
- price of the product and a unit of mass
- date
- place of delivery
- contact details
- date of payment
- currency
- terms of delivery
- other pertinent data

Deliveries are accepted and goods are unloaded from Monday to Friday during specified hours, between 6:00 am and 9:00 pm.

2. ACKNOWLEDGMENT OF AN ORDER

If a delivery is expected to be delayed or a Supplier is not able to complete the delivery in full or partially and on time as specified in the order, please notify FFP in writing (by email) or by telephone prior to a given date of delivery. Nonetheless, deliveries should be completed on the dates as specified in each order placed by FFP.

Delivery time – a delivery time is given in each order and consistent with that specified in a contract or in the order.

Product shelf-life – a use-by date must be as agreed by and between a Supplier and FFP. One pallet should contain goods with the same shelf-life. A shelf-life of a product at the time of delivery may not be shorter than

75% of the whole shelf-life. (e.g.: Full shelf-life = 100 days, Shelf-life at the time of delivery= max 25 days from the manufacturing date).

Goods will be delivered to FFP in agreed and approved transport units.

Goods on pallets should be properly secured with stretch foil or in some other way agreed on with and approved by FFP and **may not go beyond the pallet dimensions**. Only one product may be placed on each pallet. Goods may be delivered on EUR1 pallets and EUR3 pallets, if agreed so earlier with FFP.

3. MAKING DELIVERIES TO FFP

In order for a vehicle to enter the FFP premises, the driver needs to report to the pass desk/security to obtain permission to enter and unload the vehicle. Where it is necessary to make a stop and wait, the driver is directed to the nearby carpark. Otherwise, the driver is directed to the proper spot by a FFP employee and told the gate number towards which he needs to head.

Accepting a delivery on the basis of a stock issue confirmation (ci) issued by a Supplier in duplicate. A stock issue confirmation (ci) should contain the following information:

- Delivery destination.
- Order number.
- Number of packages in accordance with FFP's order.
- Name of seller.
- FFP product number – index.
- Batch/lot number.

The order (sequence) in which goods are listed in a stock issue confirmation (ci) and in an invoice should be the same as in an order placed by FFP. The unloaded goods are verified for quantity. The number of returnable containers delivered with a given shipment is also worked out. If returnable packaging is to be returned upon a delivery, the driver should notify this to a warehouse clerk.

The driver collects documents acknowledging the acceptance of goods, acknowledgement of the goods conforming in quantity and quality to the order and acknowledgement of the number of returnable containers taken. The acknowledgement of the acceptance of goods is the stock issue confirmation (ci) on which the receipt of goods is acknowledged, a stamp of the receiving party is affixed, the name of the person accepting the



goods is hand printed, the date of the receipt of goods and number of returnable containers taken back are shown.

4. RETURNS

FFP reserves the right to return delivered goods to a Supplier if:

- it has been found that the goods quality does not conform to specifications,
- the goods are not packed or labelled in accordance with the terms and conditions of a commercial agreement,
- the goods fail to meet quality, safety, labelling, excise marking and packaging requirements agreed on earlier with FFP,
- the goods do not conform to the requirements of an order.

CHAPTER 3 – FFP TRANSPORT PACKAGING POLICY

I. SHIPPING CONTAINERS (PALLET)

Pallets are on-commercial articles intended for transport of goods. Goods should be delivered to FFP on EUR pallets, unless agreed otherwise earlier. A delivery made on a shipping container which is different from that referred to in the definition of the shipping container type agreed on may be refused.

Shipping containers used in business trade between FFP and suppliers are as follows:

- EUR1 pallet
- EUR3 pallet (1000/1200)
- 1100/1400 pallet
- Single-use pallet

1. PALLET CHARACTERISTICS – ANNEXE Z1

Phytosanitary treatment mark – solid wood packaging (pallets in particular) imported within the European Union, including Poland, must be marked in accordance with the requirements of *The International Standards for Phytosanitary Measures No. 15* (ISPM 15). Fulfilment of the requirement is confirmed by a special ISPM-certified mark and the unique certification number of a treatment provider being **placed on the middle or side stringer or supporting block**.



Pic 1. Phytosanitary treatment marking.

2. RECEIVING SHIPPING CONTAINERS FROM SUPPLIER

Having verified the quality and quantity of the goods, a warehouse clerk counts the number of individual types of shipping containers and makes relevant entries in an order document.

The warehouse clerk then makes relevant entries in a stock issue confirmation (CI) document and enters the acceptance into the system (the entry must specify the number of shipping containers accepted in the warehouse).

While taking the delivery, the warehouse clerk asks the delivery driver whether he is going to take back any returnable pallets.

By printing his name, the driver acknowledges to the warehouse clerk the number of individual types of shipping containers taken back by

him and makes a proper note of taking back the returnable shipping containers in the stock issue confirmation (ci).

If the driver refuses to acknowledge the classification of individual shipping containers, the warehouse clerk notifies the doubts to the Logistics Department, which, having verified the situation, has the right to send back the shipment of goods.

CHAPTER 4 – REQUIREMENTS FOR CODING MATERIALS SUPPLIED TO FFP

Farm Frites Poland, as a member of GS1, has been introducing GS1 standards for a few years now. The implementation of GS1 standards is aimed at facilitating communications and product and service identification amongst all participants in a logistics chain.

The data are used in Farm Frites Poland for comprehensive tracking and tracing of information about the provenance of products.

I. CODES VERIFICATION IN FFP

Inspections are carried out with the use of special devices, i.e. *Barcode Verifiers* meeting *PN-ISO/IEC 15420:2007 Standard* and *GS1 General Specifications*.

All products delivered to FFP must have barcodes in line with GS1 international standards. In order to ensure efficient reading of barcodes placed on products sold in FFP, a Supplier undertakes to maintain a proper quality of barcodes in compliance with *PN-ISO/IEC15420:2007 Standard* requirements and *GS1 General Specifications*. Barcode quality evaluation is carried out in accordance with the requirements specified in *PN-EN ISO/IEC 15416:2004 Standard*.

The standard describing GS1 logistics label to be placed on pallets can be found on <http://www.gs1pl.org/>.

Please apply at least two labels (with identical data) on a pallet in such a way that one of the labels, after protective stretch film is removed, is permanently fixed to the wooden pallet, e.g. with a staple gun.

II. REQUIREMENTS FOR LABEL INFORMATION

Minimum information to be contained on labels for FFP includes:

- ssc – application identifier (00) – Serial Shipping Container Code – a unique pallet identification number.
- GTIN – application identifier (02) – an identifier of trade items contained in a logistic unit (on a pallet) – please give a GTIN to FFP prior to the first delivery so that we can correlate it with ‘FFP Index Number’- see example.
- BATCH/LOT – application identifier (10) – a manufacturer’s production batch or lot number.
- Best Before Date - application identifier (15) – the best before date for a given trade unit.
- Count of Trade Items - application identifier (37) – the count of trade items contained in a logistic unit – consistent with a ‘unit of measure of product in FFP’ – see *FFP Purchase Order* example.
- Order Number - application identifier (400) – a FFP order number – see *FFP Purchase Order* example.

AN EXAMPLE OF A LABEL FOR A PACKAGING ADDITIVE:


Mondi barcode:  1669745100490037		Firma Exemplum Sp. z o.o. ul. Przykładowa 1 80-100 Miejscowość POLAND	Pallete: 37/36
H5320MD			
ITNR: H5320MD			
CONTENT: ZAWARTOŚĆ: 35900551157979	BATCH/LOT: SERIA: 1669745	ORDER NUMBER: NUMER ZAMOWIENIA: P4781	
COUNT: LICZBA: 490	PAL: EP	PROD DATE: DATA PRODUKCJI: 2018-01-15	
BEST BEFORE: TERMIN PRZYDATNOŚCI: 2019-01-15	GROSS WEIGHT: MASA BRUTTO: 202 kg	SSCC: 359005516697450379	
 (15)190115(10)000001669745			
 (02)359005511579792(400)P4781(37)000490			
 (00)359005516697450379			

III. INFORMATION INCLUDED IN A FFP PURCHASE ORDER

A purchase order received by a Supplier from Farm Frites Poland contains data which will be required later to create a proper label to be placed on a pallet, including:

- FFP Purchase Order Number (e.g. „P1990”).
- Unit of measure of product in FFP (e.g. „rm” - running metre).
- FFP Index Number/stock code.

AN EXAMPLE OF A PURCHASE ORDER:

ZAMÓWIENIE nr:	P5223	
z dnia : 2018-07-30		
Dostawca: (60966) Exemplar Ltd Przykładowa 28 80-200 Miejscość Poland NIP: 2000000000	Adres dostawy: Farm Frites Poland S.A. ul. Abrahama 13 Lębork 84-300 Poland	Płatnik: Farm Frites Poland S.A. ul. Abrahama 13 Lębork 84-300 Poland NIP 526-00-17-951 Tel.: 59 862 91 00
Osoba zamawiająca: Adam Kowalski tel.: +48 58 100 00 00 fax : +48 58 200 00 00		Warunki płatności: termin płatności 30 dni Waluta: PLN Warunki dostawy: CIP
Uwagi:		

Lp	Symbol towaru / nazwa	Ilość	JM	Cena	Wartość netto	Dostawa dnia
1	900135 Folia (106.366)	108 000,0	mb	0,0	0,00	2018-08-02
2	898262 Folia (114.229)	0,0	mb	0,0	0,00	2018-08-01
3	899433 Folia (114.111)	0,0	mb	0,0	0,00	2018-08-02
4	900046 Folia (250.260)	0,0	mb	0,0	0,00	2018-08-02
5	898518 Folia (115.366)	22 700,0	mb	0,0	0,00	2018-08-13
6	898553 Folia (100.263)	18 300,0	mb	0,0	0,00	2018-08-21
7	900339 Folia (916.261)	43 000,0	pc	0,0	0,00	2018-08-21
8	897982 Folia (260.109)	75 000,0	mb	0,0	0,00	2018-08-21
9	898552 Folia (180.262)	18 300,0	mb	0,0	0,00	2018-08-21
Netto razem:					0,00	

Proszę o umieszczenie numeru zamówienia P5223 na dokumencie transportowym 'WZ' oraz fakturze.

Strona 1 z 1

PART II

SERVICE PROVIDERS

CHAPTER 1 – STARTING COOPERATION

1. BASIC CONDITIONS

Service providers are required to meet the requirements specified by Farm Frites Poland in respect of the scope and expected quality of services and to comply with occupational health and safety rules on the FFP plant premises.

1. QUALITY AND SAFETY

Service providers have an obligation to ensure their employees receive proper training in occupational health and safety as well as job specific general activities, organise trainings on time and store documentation certifying trainings given.

2. LEGAL REQUIREMENTS

Service Providers comply with applicable laws and regulations in all areas of their business operations and expect the same from all cooperating entities.

3. AUDITS

Service Providers monitor and correct, on an ongoing basis, work carried out by their employees performing a service for FFP on and outside the plant premises. As part of an ongoing cooperation, Service Providers conduct internal audits in their companies in accordance with FFP guidelines and enable FFP representatives to carry out external audits. The scope of such external audits to be conducted by FFP representatives is described in **Annexe F2 4.3 – Audit Form**.

4. REQUIRED DOCUMENTATION

- Business licence and approval by Health & Disease Control Authority
- Certificates (BRC, IFS, others)

Any discrepancy in a service being provided will be notified to a Service Provider by a responsible person from the FFP department where such service is being rendered.

CHAPTER 2 – TRANSPORT AND STORAGE SERVICES

I. TRANSPORT SUBCONTRACTORS (APPLIES TO SUBCONTRACTORS COLLECTING AND TRANSPORTING FINISHED PRODUCTS FROM/TO FARM FRITES POLAND)

Subcontractors and their employees shall comply with the general provisions of a relevant agreement and follow the guidelines for transporting products contained in the following annexes:

- **Annexe Z1 4.5 – Sanitary conditions for transporting and storing FFP frozen products.**
- **Annexe Z2 4.5 – Sanitary conditions for transporting and storing FFP dried products.**

II. STORAGE SERVICES INTENDED FOR FINISHED PRODUCTS

Subcontractors offering **finished product** storage services are required to comply with the general provisions of a relevant agreement and adhere to the following guidelines:

- BRC/IFS certification achieved.
- Goods must be accepted and delivered during the time as specified in the agreement.
- Loading and unloading time not exceeding 2 hours.
- **Annexe Z1 4.5 – Sanitary conditions for transporting and storing FFP frozen products.**
- **Annexe Z2 4.5 – Sanitary conditions for transporting and storing FFP dried products.**

III. STORAGE SERVICES INTENDED FOR PACKAGING MATERIALS

Subcontractors offering packaging material storage services are required to comply with the general provisions of a relevant agreement and adhere to the following guidelines:

- Approval following an audit by FFP.
- Goods must be accepted and delivered during the time as specified in the agreement.
- Loading and unloading time not exceeding 2 hours.
- **Annexe Z3 4.5 – General sanitary conditions for transporting and storing Farm Frites Poland SA packaging materials.**

CHAPTER 3 – SERVICES PROVIDED BY OUTSIDE COMPANIES COOPERATING WITH FFP

Farm Frites Poland recognises the need for and establishes cooperation with subcontracting companies which offer a range of specialised services.

Subcontractors and their employees are required to comply with the general provisions of a relevant agreement and meet detailed requirements set forth and notified by FFP representatives in respect of a specific type of service rendered on the FFP plant premises.

Subcontractors being in a contractual relationship with FFP:

- Follow *Instruction I 4.5.1 – Outside Companies*.
- Monitor and make sure that their employees performing work on the plant premises all have up-to-date certificates, such as a fit to work certificate, health certificate etc.

Each FFP Service Provider is subject to an annual evaluation of the quality of cooperation and performance. If any nonconformities are found, a Service Provider is notified about the fact and requested to take proper corrective actions.

PART III

THE CODE OF ETHICAL CONDUCT

The Code of Ethical Conduct sets forth the standards of conduct and is addressed to all Suppliers and their employees. The standards we share together with our Suppliers are both our Company standards as well as those set forth by our clients, such as *McDonald's Code of Ethics* or *Ikea IWAY Standard*. Codes of conduct contain principles regarding employment conditions, environment, health and safety at work and business ethics. We collaborate only with suppliers who already live up to our expectations or will live up to them in foreseeable future. We audit our Suppliers regularly.

COMPLIANCE WITH LAW

FFP Suppliers' business activities, at any level, shall comply with all applicable laws and regulations. Apart from legal norms, they shall act in accordance with the standards of business ethics. Our Suppliers shall conduct their business activity with integrity and oppose to any and all forms of extortion or corruption, including receiving or offering gains from or to employees or other entities.

HUMAN RIGHTS

FFP Suppliers shall promote and respect human rights as set out in *The United Nations Universal Declaration of Human Rights*. Supplier should make sure that they do not contribute in any way to any violation of human rights.

FREEDOM OF ASSOCIATION

Suppliers shall guarantee their employees the freedom of association and the right to labour disputes as permitted by and in accordance with all applicable laws and regulations.

EMPLOYMENT CONDITIONS

Suppliers shall be required to employ their employees legally as well as obtain and keep documents confirming the lawfulness of their employment. Suppliers shall comply with applicable law and regulations and business-specific mandatory standards on working time, remuneration and overtime being paid accurately and in a timely manner, and leave entitlement. Employment is commenced of employees' own free will and they are not threatened or intimidated (e.g. by retaining their documents or withholding their wage or salary payments). Their employment may be terminated at any time by a statutory notice being given.

MINIMUM EMPLOYMENT AGE

Any employment of children is prohibited under ILO Convention no. 138. Suppliers offering employment to junior workers must observe the minimum employment age, which is 16 years in Poland. Besides, an employer shall demonstrate that work performed by a junior worker is not too physically demanding and therefore will not be harmful to his or her physical, mental and emotional development.

WORKING CONDITIONS

FFP Suppliers shall treat their employees with respect and dignity and eliminate any forms of discrimination because of age, sex or views. They shall ensure a safe working environment and make sure that all workers receive proper training on safe work practices.

ENVIRONMENT

Suppliers shall comply with all applicable laws and regulations on environmental protection. Suppliers are encouraged to implement their own management systems which would satisfy the requirements. FFP also encourages its Suppliers to develop and promote environment friendly technologies, including systems to reduce waste generated, soil and air pollution, and noise emission.



ANNEXES TO THIS GUIDE:

- 1.** *Annexe F2 4.3 – Audit form.*
- 2.** *Annexe F4 4.3 – Product passport.*
- 3.** *Annexe F6 4.3 – Guidelines for CoA (Certificate of Analysis).*
- 4.** *Annexe Z2 4.3. – Guidelines for Declaration of Conformity for packaging materials used in Farm Frites Poland SA (potato pancakes, French fries).*
- 5.** *Annexe Z3 4.3. – Guidelines for Declaration of Conformity for packaging materials used in Farm Frites Poland SA (potato flakes).*
- 6.** *Annexe Z1 4.5 – Sanitary conditions for transporting and storing FFP frozen products.*
- 7.** *Annexe Z2 4.5 – Sanitary conditions for transporting and storing FFP dried products.*
- 8.** *Annexe Z3 4.5 – General sanitary conditions for transporting and storing Farm Frites Poland SA packaging materials.*
- 9.** *Annexe Z1 – Pallet characteristics.*

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