AUSTRALIAN FOOD & GROCERY COUNCIL

Trading Partner Forum

Common Delivery Guidelines

For Industry

WOOLWORTHS GROUP

coles

Metcash

Contents

This guide covers the key areas of common, aligned requirements to support safe and efficient flow of product through Woolworths, Coles and Metcash networks. Sections and page numbers are as follows:

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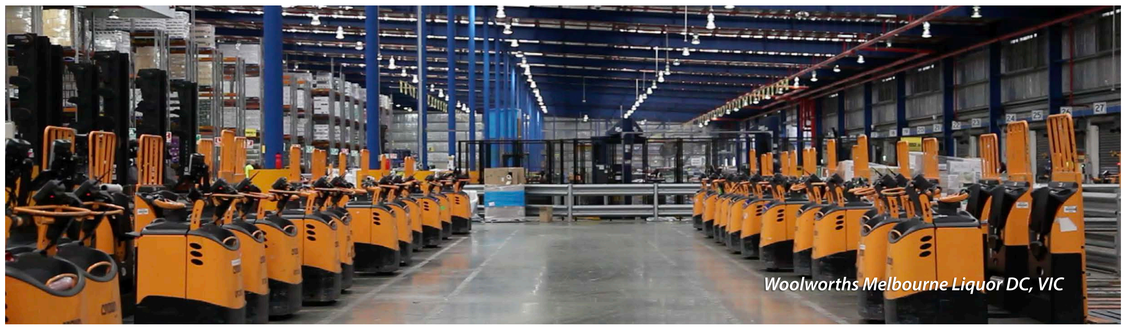
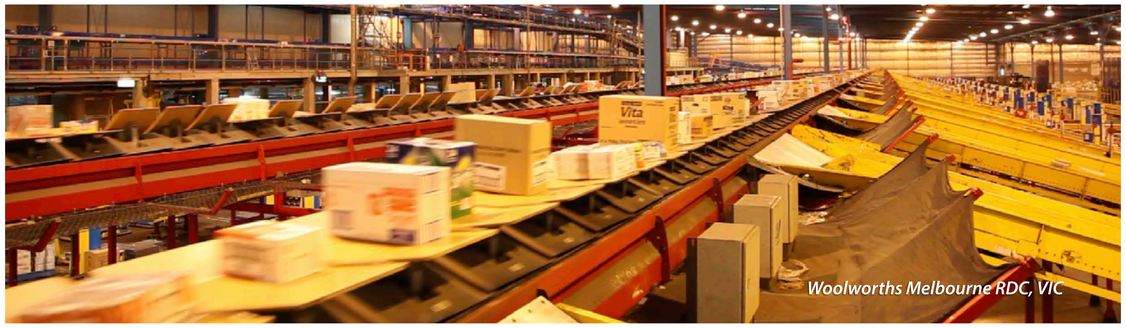


Woolworths Melbourne Liquor DC, VIC

Metcash Huntingwood RDC, NSW



Woolworths Melbourne RDC, VIC

Coles Somerton NDC, VIC

Welcome & Overview

Samantha Blake
Director

John Cawley
Associate Director

Opening Message from the Secretariat

As Director and Associate Director of the Australian Food & Grocery Council - and on behalf of the Trading Partner Forum Executive Committee - we are excited to present this inaugural, collaboratively-sourced reference tool, *Common Delivery Guidelines for Industry*. This document forms an invaluable resource for all parties within the Australian FMCG sector, and addresses many of the opportunities that the industry has identified regarding clarity and alignment of supply chain expectations.

The Australian FMCG market presents unique challenges for both suppliers and retailers, not least of which are our geographic scale and distance, relatively-high costs of transportation, population density, supply chain complexity, and the diverse - *and fast-evolving* - expectations of our customers. In this environment, development of a more-aligned, standardised and retailer-agnostic set of common supply chain requirements is one very *practical* way to support greater efficiency within the industry. We know that there are significant potential benefits to all parties where retailer requirements can be made more consistent: a greater percentage of *'right first time'* deliveries, less confusion, fewer costly rejections, and improved product availability - all helping to reduce costs and deliver improved outcomes for consumers.

A document such as this one is only made possible with the strong support of numerous stakeholders, and we have been fortunate to enjoy enthusiastic participation and endorsement from major industry partners. We are excited not only by the content within this document, but are encouraged also by the collaborative spirit behind it's creation. Manufacturers/suppliers and retailers - *supported and enabled through the Trading Partner Forum* - have worked closely together to establish common language and explore opportunities for simplification and standardisation, which bodes well for the future of collaboration across our industry.

The scope of this document extends to all areas in which alignment has been reached across the Trading Partner Forum *Perfect Delivery Group* and Executive Committee - groups which are comprised of representative members from both suppliers/manufacturers and the three major supermarket retailers.

We are encouraged that the industry stakeholders remain open to exploring potential alignment in further areas as discussions progress, and we welcome any new opportunity to continue driving simpler, more cost-effective outcomes for suppliers, retailers and consumers alike.

We hope that you find this reference guide a valuable resource within your organisation.

Regards,

Samantha Blake, Director
John Cawley, Associate Director
Australian Food & Grocery Council, Trading Partner Forum

Welcome & Overview

About the Trading Partner Forum & AFGC

The Trading Partner Forum (TPF) exists as Australia's foremost liaison point between FMCG suppliers and retailers. The TPF is a forum of the Australian Food & Grocery Council (AFGC), with a mission to:

> ***"bring together FMCG suppliers and supermarket retailers in pursuit of business practices that contribute to driving growth, delivering efficiency and improving availability across the end-to-end value chain, benefiting suppliers, retailers and shoppers, without impeding competition law"***

The Trading Partner Forum Executive Committee is comprised of representatives from the three major Australian retailers - Woolworths, Coles & Metcash, representatives from Countdown NZ and Foodstuffs SI (NZ), and from several leading suppliers representing the AFGC supplier and manufacturer community.

The TPF holds workshops and reviews, prepares information guides and supporting material, and participates actively in industry events to help drive better engagement and collaboration *(where appropriate within Competition law)* between industry partners.

For more information on the work of the Trading Partner Forum or the AFGC, please visit:

Trading Partner Forum: **www.tradingpartnerforum.com.au**
Australian Food & Grocery Council: **www.afgc.org.au**

Coles Somerton NDC, VIC

Scope & Objectives

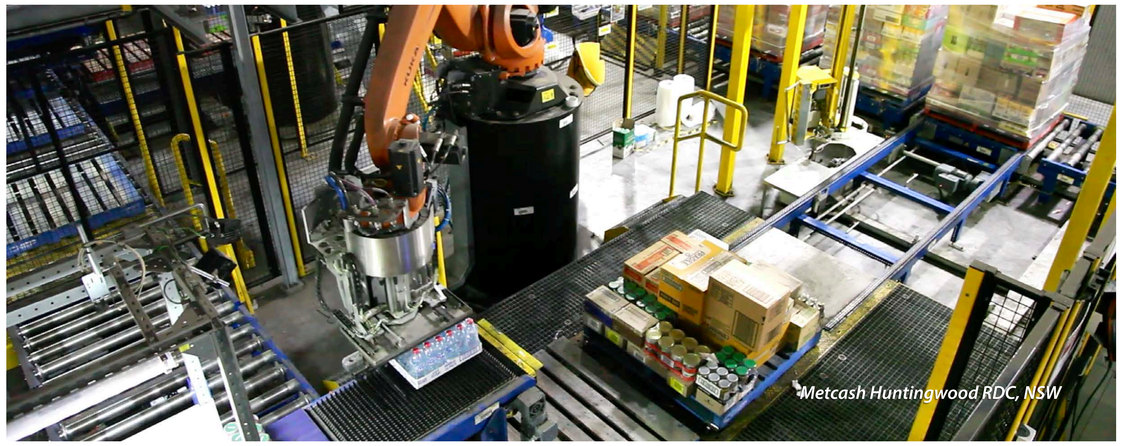
This document reflects all key areas of commonality and alignment between Woolworths, Coles & Metcash Food & Grocery with respect to inbound product from their suppliers. It is intended to codify, clarify and align areas where there has historically been some divergence and fragmentation, thereby providing a solid basis upon which suppliers can prepare product for delivery into these major retailers.

A primary objective of this project is that both retailers and suppliers will benefit through improved quality and compliance, obviating the need to reject or rework loads, pallets and trade units that do not meet specification. In turn, this improved level of compliance should drive positive impacts for team member safety, and for cost and availability - ultimately to the benefit of Australian consumers.

The scope of the document is not exhaustive but limited instead to those specific areas - *and specific requirements* - for which clear, unambiguous agreement has been reached. **In particular, this document is focused on common requirements regarding Trade Units, Logistics Units, Advance Shipping Notifications (ASNs) and DIFOT.**

While there are currently multiple areas that are outside the scope of this document - *and for those, it is necessary to consult the individual retailer's own Standards or Specifications documents for guidance* - the TPF Executive remain committed to expanding areas of alignment where viable opportunities exist. This document will, of course, be updated to reflect any new areas of agreement as/when those discussions evolve.

Note: for the purposes of this document, 'Retailer' relates exclusively to Woolworths, Metcash and Coles. Individual retailers who are supplied by Metcash (in its additional capacity as a wholesaler) are not within the scope of this document.


Metcash Huntingwood RDC, NSW

Welcome & Overview

Background: Retailer Supply Chain Overview

Woolworths, Metcash & Coles operate vast, complex supply chains. Servicing well over 3,300 supermarkets - *not including their convenience sites, wholesale customers and online* - these retailers are responsible for ranging, forecasting, replenishing, receiving, storing, picking, and despatching tens of thousands of SKUs, hundreds of millions of trade units and billions of consumer units each year. Their supply chains stretch many thousands of kilometres to some of the most remote points in the country, with vehicles travelling hundreds of millions of kilometres to bring product to millions of Australians. Each employs several thousand team members in their respective Supply Chain and Logistics functions.

Retailers operate hybrid networks comprised of both traditional, manual Distribution Centres *(where product is picked and processed manually with some technological assistance - e.g. manual pick-to-pallet operation supported by voice picking, layer picking, scan receiving, LGVs etc)* and completely state-of-the-art, automated DC facilities where product can be received, de-palletised, stored, retrieved, picked and auto-packed to tailored, store-ready pallets robotically and with little or no human intervention. In fact, the Australian FMCG supply chain is now home to some of the most advanced DC technologies in the Southern Hemisphere, leveraging global best practice to optimise supply flexibility and performance.

Retailer specifications and standards are necessary for the mitigation of DC safety risks, for the effective operation of DC equipment, and for maintaining excellent product availability to retail customers.

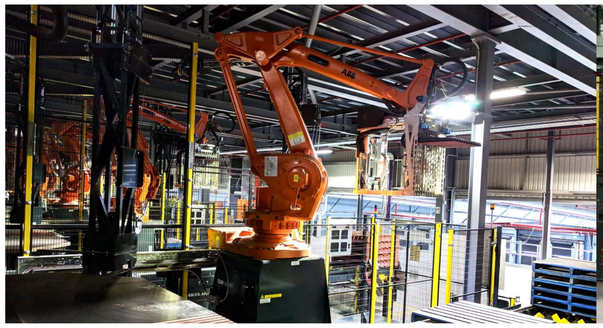
In this context, the strong support of suppliers is absolutely pivotal. Retailers cannot operate successfully - not safely, nor efficiently - unless suppliers provide product that meets established specifications.

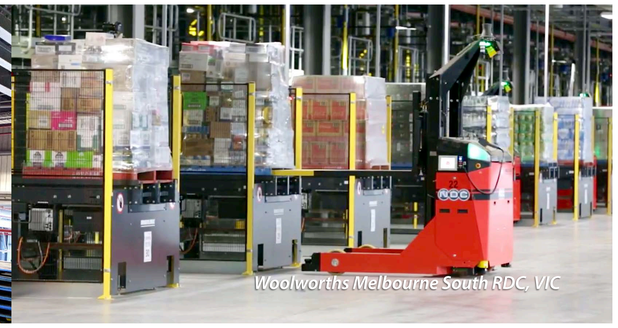
Delivering product to these exacting retailer requirements can be challenging, and the consequences of quality/compliance failures can have a significant impact on suppliers. It can be very costly for suppliers to incur rejections of product at the end of a long supply chain journey *(not to mention the wasted production, labelling, palletising, warehousing, load planning etc)* or to lose product through failing packaging, and to incur empty shelves and missed sales opportunities as a result.

Compliance failures are hugely costly for all parties, hence there are clear benefits to improving conformance across the industry through greater clarity, consistency and alignment.

Woolworths Melbourne South RDC, VIC

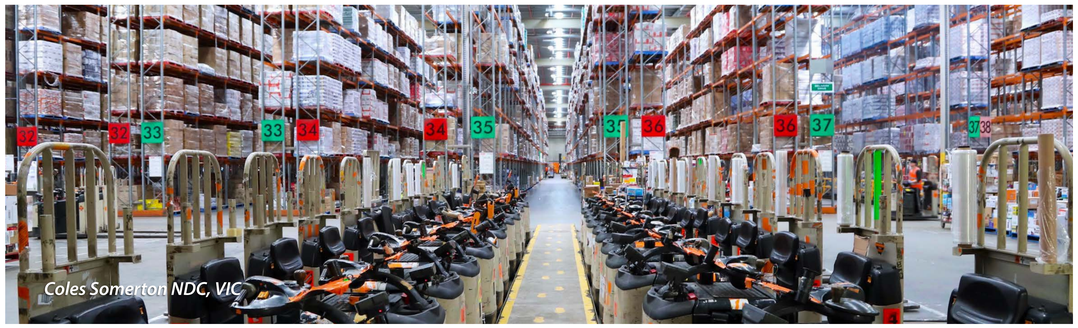
Metcash Laverton RDC, VIC



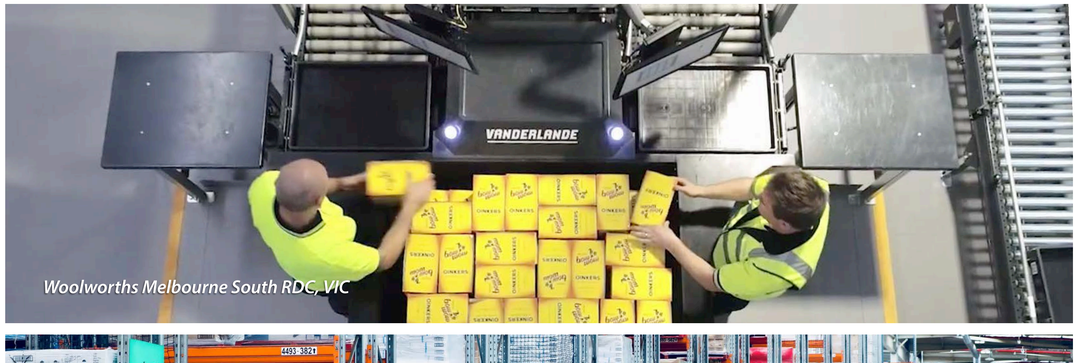

Woolworths Melbourne South RDC, VIC

Coles Somerton NDC, VIC

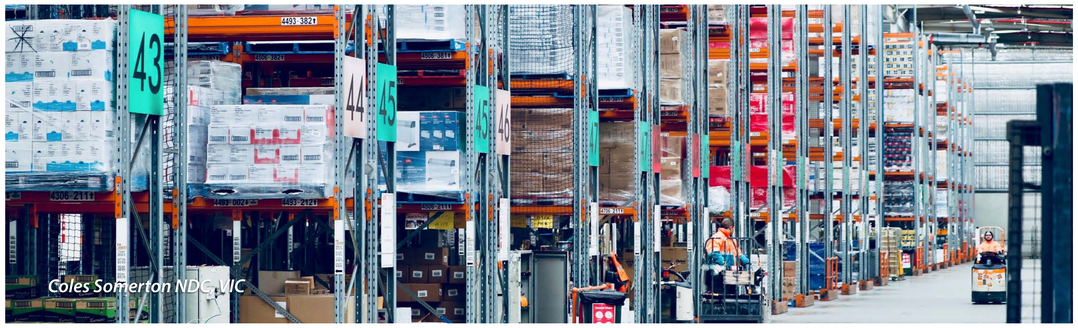
Welcome & Overview



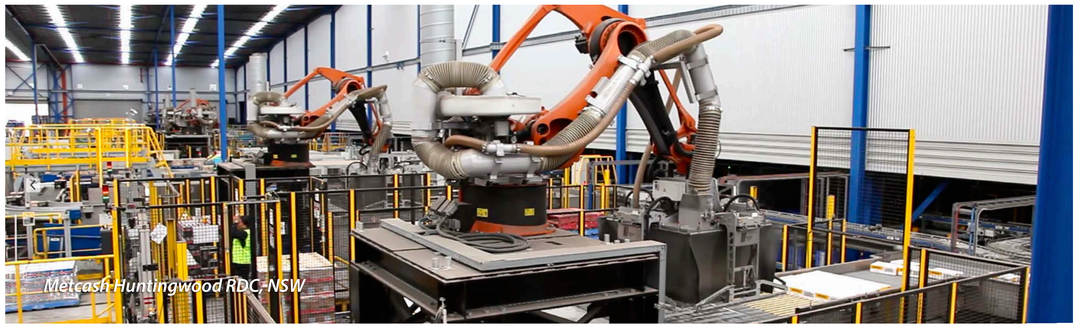
Coles Somerton NDC, VIC



Woolworths Melbourne South RDC, VIC



Coles Somerton NDC, VIC


Metcash Huntingwood RDC, NSW

Important Notes: Safety/CoR, Individual Agreements & Future Updates/Revisions

While this document outlines the key areas of universal expectations across the three major retailers, it is important to understand that this document is a guide only, and exists in relationship to existing commercial agreements and to all applicable safety, legal and statutory obligations.

Safety is a core objective for all Trading Partner Forum members, and - should any requirements outlined in this guide conflict with Safety or Chain of Responsibility (CoR) obligations - it is the Safety and CoR requirements that must take precedence. Where suppliers encounter any Safety or CoR concerns related to the implementation of these requirements, concerns should be raised with the relevant retailer(s).

It should also be noted that suppliers remain free to negotiate individual agreements with retailers (and vice versa) where areas of mutual benefit exist. As one example, a retailer may permit certain products to be palletised taller than 1.8m where their automated DCs can accommodate those products safely, and both retailer and supplier can optimise cartons-per-pallet, enjoying more cost-effective transport and receipt. This document provides the baseline, *default* requirements for all suppliers, wherever individual agreements do not exist: these requirements can be individually modified by mutual agreement between retailer and supplier.

It has been a core, guiding principle of this *Common Delivery Guidelines for Industry* project that no newly-aligned requirements should be more onerous or costly to suppliers than the pre-existing requirements and that - wherever possible - compliance to the new guidelines be made easier and simpler.

Finally, the expectation of the TPF is that this document will expand and evolve over time, as new areas of alignment emerge and/or where existing requirements need to change. It is expected, however, that changes to any retailer requirements outlined in this document will only occur following consultation with the TPF Committee and with sufficient advance notice to reflect any changes in this guide before those changes take effect: this guide should therefore remain current and consistent with all relevant retailer specifications.

Common Requirements for Cartons & Trade Units

Common Requirements for Cartons & Trade Units

TU/Carton Introduction

Retailers view Trade Unit quality as a fundamental supply chain concern, and all three experience considerable detrimental impacts on a *daily basis* from non-compliant or poor quality cartons in their networks. Many suppliers, likewise, routinely encounter product rejection, or product loss issues, and ultimately suffer lost sales from product that does not successfully make its way through DCs and store backrooms to the shelf.

As Trade Units and Cartons are critically important within all three retailer supply chains, the consensus among retailers in this area is strong and well-established. Retailers agree on many of the required pack characteristics, the maximum weight, the minimum required number of barcodes, the requirements regarding trade unit declarations and warnings *(e.g. gross weight, description, consumer unit size and quantity, temperature markings, caution lift symbology etc)* and on issues of condition and suitability.

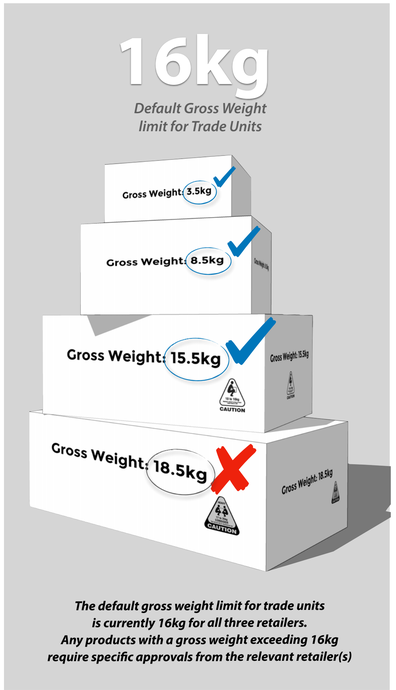
TU/Carton Gross Weight

All retailers share a common requirement regarding the default maximum weight for trade units: **gross weight is limited to 16kg.** This default limit helps to ensure product can be safely handled, without undue risk of strain/injury to team members.

Please note also that - for all three retailers - the gross weight of trade units also affects the maximum permissible pallet height in Ambient and Chilled DCs (refer Logistics Unit section - link).

Products with a gross weight that exceeds the default 16kg limit will need specific approvals from the retailer(s) involved, which may include a risk assessment process and review by the retailers' Safety teams.

Note: Retailers have indicated an aspiration to reduce this maximum gross weight over time, although specifics vary: suppliers should consult individual retailers for guidance on their longer-term gross weight targets.



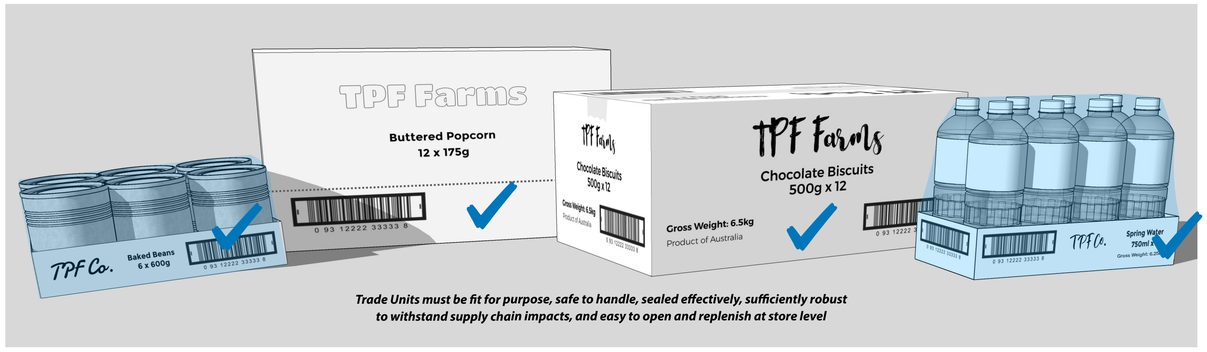
The default gross weight limit for trade units is currently 16kg for all three retailers. Any products with a gross weight exceeding 16kg require specific approvals from the relevant retailer(s)

TU/Carton Suitability: Design, Construction, Forming & Sealing

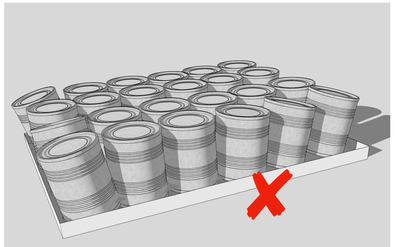
Trade Units and cartons need to be capable of travelling thousands of kilometres, withstanding typical supply chain impacts and extensive automation *(e.g. robotic picking and palletising)* without deforming, and be able to protect and contain Consumer Units up to the point of replenishment on the store shelf.

As such, **all three retailers expect that Trade Units and Cartons intended for their network will be:**

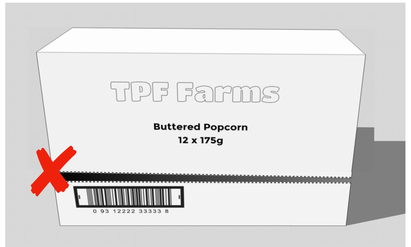
1. **Fit for purpose** *(design appropriate to the product type)*
2. **Safe to handle** by team members *(see also TU Weight requirement adjacent)*
3. **Sealed effectively** to prevent product damage or loss *(no open flaps, torn perforations etc)*
4. **Sufficiently robust** to withstand automated and manual handling *(lifting, stacking, conveyor travel etc)* and stacking with other products on outbound store pallets *(potentially as a base layer where product type and weight dictates)*.
5. **Easy to open/replenish** by store team members



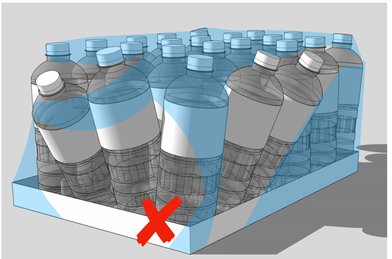
Trade Units must be fit for purpose, safe to handle, sealed effectively, sufficiently robust to withstand supply chain impacts, and easy to open and replenish at store level



Avoid overweight, oversized, unstable pack sizes and trade unit designs, as these will be both unsafe and inefficient to handle



Ensure that any perforations, seams and flaps remain sealed/closed through the supply chain, and that the trade unit contents are protected



Especially for over-wrapped items (i.e. 'tray-and-shrink'), ensure that wrap properly and securely confines the product and that tray wall heights are sufficient

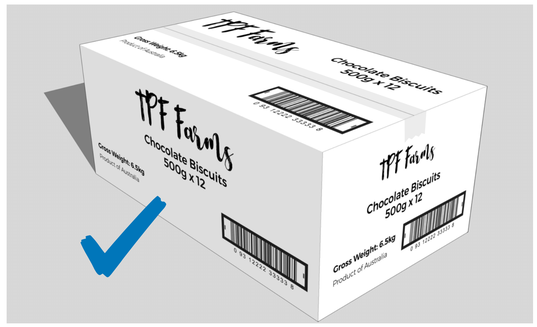
Common Requirements for Cartons & Trade Units

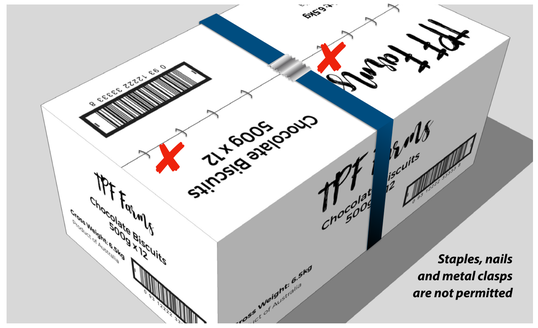
TU/Carton Condition/Damage

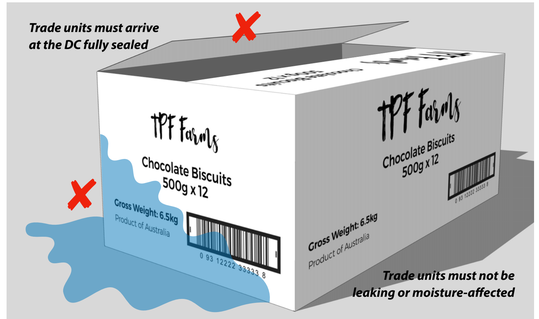
Further to the above requirements regarding design and construction, **all three retailers require that trade units delivered into their DCs meet the following criteria**:

1. **Saleable & Safe**
2. **Not crushed or leaking**
3. **Not moisture-affected or unsanitary**
4. **Readily identifiable** *(including all required descriptions and barcodes)*
5. **Free from nails, staples, metal strapping** in the packaging
6. **Within acceptable temperature range**, where applicable
7. **Within acceptable, expected shelf-life range**, where applicable

All retailers reserve the right to reject product that fails to meet one or more of the above criteria. Further, it is **not acceptable** at any retailer to redeliver product that has been rejected due to out-of-temperature issues (as the food safety of the product is likely to have been compromised).





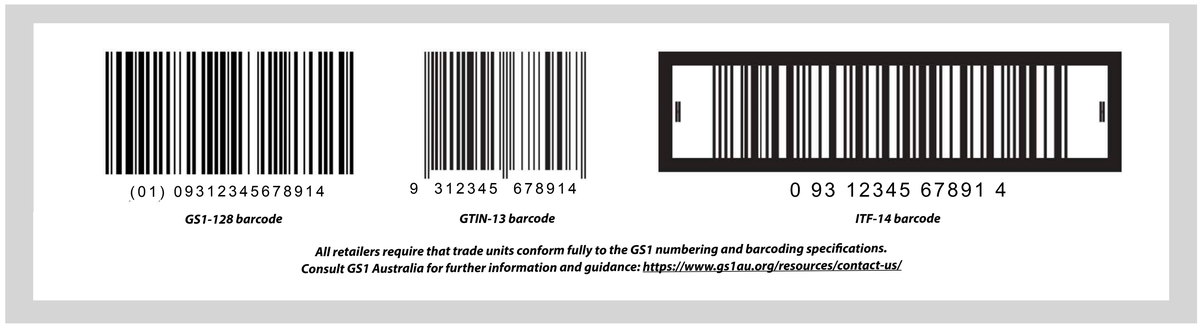


TU/Carton Barcoding

Each retailer heavily utilises the GTIN barcoding of Trade Units to identify products at receiving, and at various points through the supply chain (including high-speed scan sortation where the GTIN barcode is the key identifier directing the right product to the right store).

Accordingly, all three retailers have the following expectations for Trade Unit barcoding:

1. Adherence to GS1 Trade Unit numbering and barcoding specifications is critical
2. For Trade Units utilising Print-and-Apply labels, GTIN barcodes must appear on at least two vertical sides of the trade unit - preferably adjacent sides
3. For Pre-Printed trade units (where the barcodes are embedded into the artwork and pre-printed onto the flat carton) all retailers require GTIN barcodes on at least four (4) vertical sides of the trade unit. Further, retailers ask that the pre-printed barcodes be added to all six faces of the carton where practical, as this will support scanning regardless of the carton orientation *(and doesn't involve additional cost, unlike print-and-apply labelling)*.



Common Requirements for Cartons & Trade Units

TU/Carton Symbols, Declarations

Retailers all require trade units to be readily identifiable from multiple orientations (to account for stacking patterns on a pallet, varying placement on a high-speed scanning conveyors, scan identification in store backrooms etc). They also require that any safety related declarations and/or warnings are clearly visible to team member who are handling the product.

Retailers are aligned in the following requirements regarding declarations on a trade unit:

1. **Product Description**: must appear on at least two vertical (preferably adjacent) sides of the trade unit
2. **Consumer Unit Description** (including flavour/variant): must appear on at least two vertical (preferably adjacent) sides of the trade unit
3. **Consumer Unit Size & Quantity** (e.g. 6 x 500ml): must appear on at least two vertical (preferably adjacent) sides of the trade unit
4. **Gross Weight Declaration** (incl "Gross Weight:" text and rounded up to at least 1 decimal point): must appear on at least two vertical (preferably adjacent) sides of the trade unit
5. **Caution Lift Symbol** (for trade units weighing 10kg-16kg): must appear on at least two vertical (preferably adjacent) sides of the trade unit, and on the top panel if possible (pre-printed only)
6. **Heavy Lift Symbol** (for trade units weighing over 16kg): must appear on at least two vertical (preferably adjacent) sides of the trade unit, and on the top panel if possible (pre-printed only)
7. **Storage/Temperature Markings**: must appear on at least two vertical (preferably adjacent) sides of the trade unit, where applicable
8. **Recycle Mark/Symbol**: should appear on at least 1 side of the trade unit
9. **Legibility/Visibility:** all human-readable text should be visible from a distance of 1.5 metres

Retailer-specific TU/Carton requirements:

As some Trade Unit requirements are not fully aligned across retailers *(e.g. regarding dangerous goods, inner/outer ratios etc)*, and as there are some areas where individual retailers provide additional detail and commentary, it is important to also review the retailers' individual Standards/Specifications documents. Those guides are available for download at the following locations:

- **Woolworths**: Woolworths Packaging & Barcode Specifications *https://www.wowlink.com.au*
- **Metcash**: Metcash Supply Standards *https://metcashsuppliers.com/logistics-cross-dock/*
- **Coles**: Coles Supply Standards *https://www.supplierportal.coles.com.au/csp/wps/portal/web/SupplyChain*

Woolworths Packaging & Barcode Specifications

Metcash Supply Standards

Coles Supply Standards

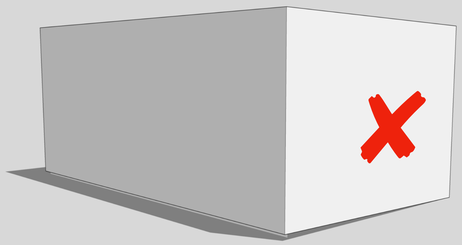
Shelf-Ready Packaging (SRP):

While Shelf-Ready Packaging (SRP) is not within the scope of this *Common Delivery Guidelines for Industry* document, a useful SRP guide and checklist is available at the Trading Partner Forum website:

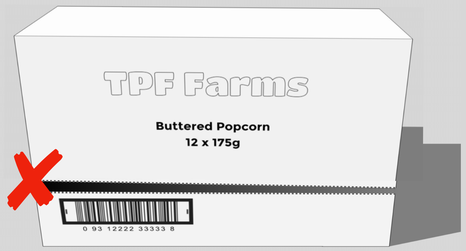
http://www.tradingpartnerforum.com.au/publications/2016/4/15/shelf-ready-packaging-and-merchandising.html

Trading Partner Forum - Shelf Ready Packaging Industry Guidelines

Common Requirements for Cartons & Trade Units



Ensure trade units are clearly identifiable, with all required declarations, barcoding and symbols

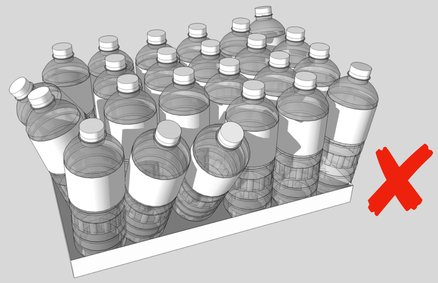


Ensure perforations do not split open in transit

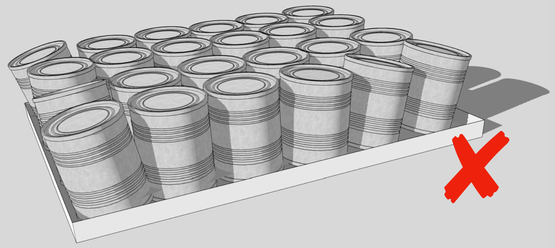
Ensure trade units are not open, moisture-affected, crushed/leaking, damaged or otherwise unsaleable

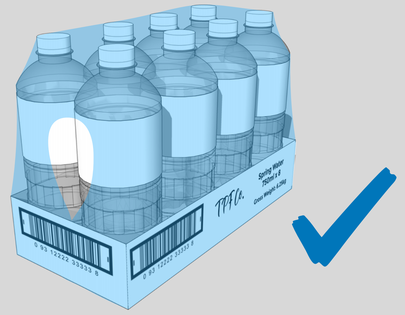
Trade units and cartons must be:

robust, fit-for-purpose, within allowed weight range, safe and stable for handling, fully sealed to protect product, clearly identifiable with all required declarations and symbols, within safe temperature range and date code range (as appropriate), and free from damage



Avoid pack sizes and designs that are excessively heavy, or provide insufficient support for the product contained within, or are otherwise unsafe/unstable to handle





Ensure pack sizes and designs are well within safe weight ranges, securely sealed, and sufficiently robust

Common Requirements for Pallets & Logistics Units

Common Requirements for Pallets & Logistics Units

LU/Pallet Introduction

Requirements for Logistics Units or Pallets are quite uniform across the three retailers: there is close alignment regarding the quality and specifications of the wooden pallet, the ideal way to stretch-wrap the pallet *(where stretch-wrap is used)*, the correct way to implement SSCC pallet labelling, and also the maximum pallet heights and pallet weights.

Despite concerted efforts to address the issues - and some good progress in recent years - pallet-level compliance remains challenging and there is still significant room for improvement in the way pallets are delivered into retailer DCs. Thousands of pallets are delivered every week exhibiting a wide range of issues: SSCC labels that do not scan (or are missing entirely), pallets with missing or broken boards, pallets with loose and trailing stretch-wrap, and pallets that are unstable and unsafe, to name a few. For safety and efficiency across the industry, it's essential that compliance to pallet-level standards is improved.

LU/Pallet Quality, Structure & Tolerances

Retailers are completely aligned regarding the importance of the wooden pallet. While ubiquitous and easy to overlook, the condition of pallets can have an enormous impact on team member safety *(e.g. fall from height risks)* and on the operational efficiency within distribution centres *(e.g. damaged pallets detrimentally affecting automation and conveyor systems etc)*.

As pallets will often be stored and retrieved at significant height, the integrity of pallet boards is of critical importance from a safety perspective *(loose boards may easily become detached and fall >10m to populated areas below)*. Likewise, where retailers rely on increasingly-automated systems that interface with pallets in very specific ways *(lifting pallets via the side tunnels, storing pallets in High Bay Warehouses by the front and rear lead boards, transporting pallets on mechanised conveyors and lift systems etc)* it is critical that pallets conform to the specifications and tolerances upon which those systems were configured.

All retailers require that inbound pallets have been manufactured to the Australian Standard *AS 4068-1993 Flat Pallets for Material Handling*, and repaired to the relevant pool pallet repair standard *(recognising that the condition of pooled pallets will vary from their condition at time of manufacture)*.

Specifically, this means that all three retailers require pallets that:

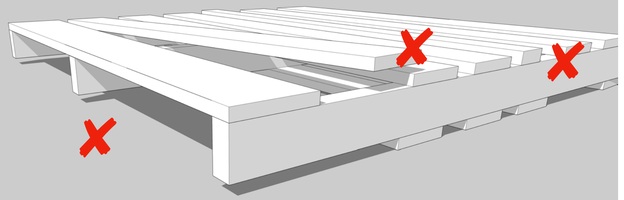
1. conform to the physical dimensions of 1165mm (L) x 1165mm (W) x 150mm (H)
2. are comprised of 150mm-wide lead-boards and 95mm-wide intermediate boards
3. have five boards on the base/underside *(two lead-boards, three intermediate boards)* and seven or eight boards on the topside *(two lead-boards, five or six intermediate boards)*
4. have all boards securely affixed to the bearers *(no loose or missing boards)*, with all three bearers intact and in good condition
5. be comprised of intact boards that are not excessively affected by holes, cracks or splitting *(cracks cannot extend across >25% of the board width; holes cannot extend across >50% of the board width)*
6. have two pallet tunnels of 180mm on the underside of the pallet *(between each lead-board and the next intermediate board)*
7. have leadboards with largely-uniform leading edges *(face/edge variation cannot exceed 15mm)*
8. have lead-boards that are flush with the ends of bearers *(ideally)*, or that are pushed back less than 15mm from the bearer end *(where the edge of the lead-board is not uniform and is itself indented, this face variation also counts toward - and compounds - the pushback calculation)*.
9. exhibit no loose or protruding nails *(nail heads must be <1mm above the board surface)*
10. be free from contamination including dirt, oils, chemicals, debris etc

International-format pallets, cardboard pallets, and 'skids' are not accepted by any of these retailers *(where approved by the retailer, display pallets may be nested on a CHEP or Loscam pallet: check with the relevant retailer)*. Currently, all three retailers have pallet hire/dehire arrangements with CHEP and Loscam only.

Pallet quality is critically important to all retailers, as non-compliant pallets can have enormous impacts on safety and operational efficiency.

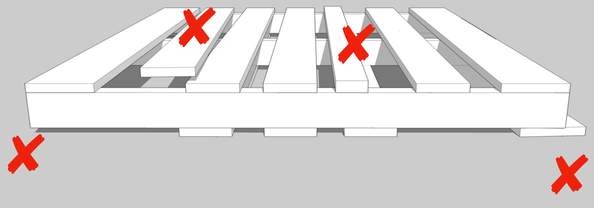
Refer to the following page for a visual guide outlining the key pallet quality requirements…

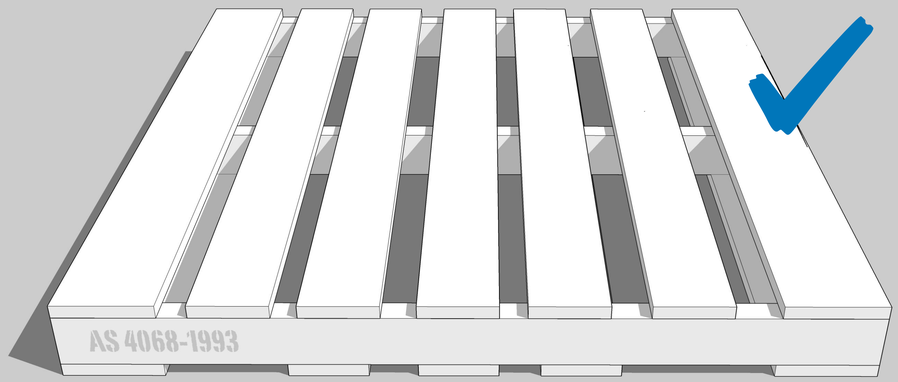
Common Requirements for Pallets & Logistics Units

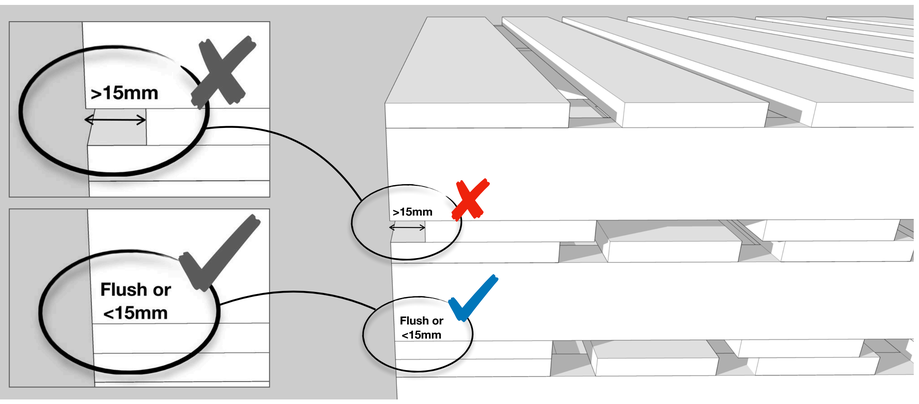


Pallets must be safe, fully-intact and free from significant structural defects. Specifically, pallets must have:

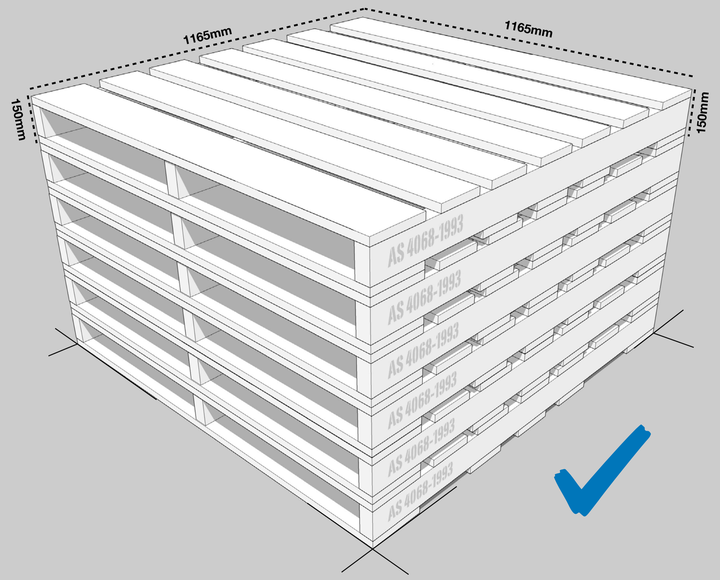
- *No missing boards*
- *No loose, dislodged boards*
- *All boards of required widths*
- *All boards in required position*
- *Boards flush with bearers or pushed-back less than 15mm*
- *Boards intact and in good condition*
- *Manufactured to AS 4068-1993 standard*



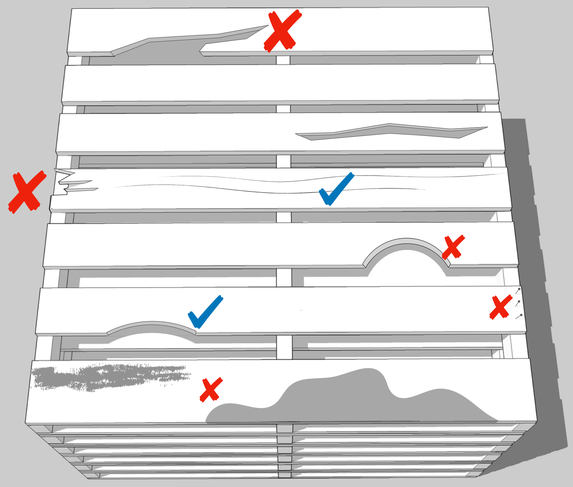




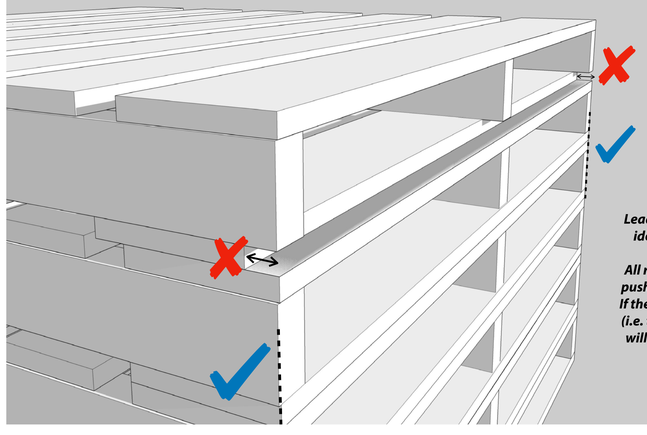
All pallets must be square (not twisted or distorted), conforming to the dimensions of 1165mm (W) x 1165mm (D) x 150mm (H)



Pallets must be comprised of intact boards that are not excessively affected by holes, cracks or splitting (cracks cannot extend across >25% of the board width; holes cannot extend across >50% of the board width)



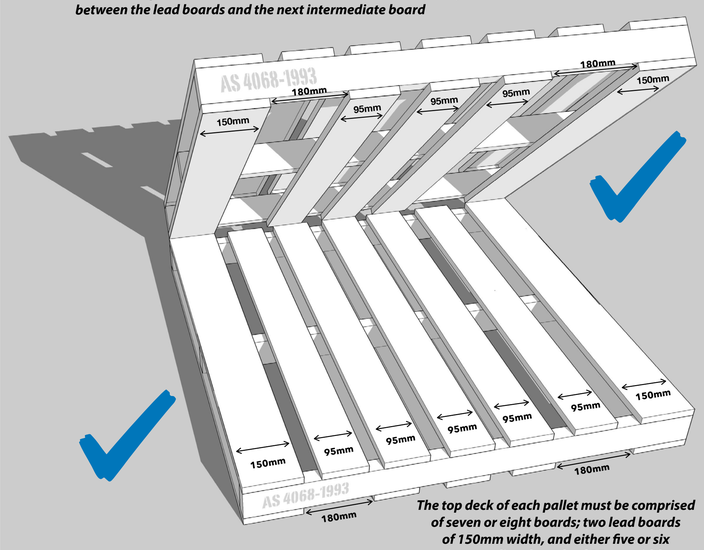
Pallets must be free from contamination including dirt, oils, chemicals, debris etc, and must not exhibit loose or protruding nails (nail heads must be <1mm above the board surface)



Lead boards should be affixed securely and - ideally - flush with the end of the bearers.

All retailers allow a tolerance of up to 15mm pushback of leadboards from the bearer end. If the face of the leadboard is not square/even (i.e. the board profile varies significantly) this will reduce the degree of pushback allowed.

The underside deck of each pallet must be comprised of five boards; two lead boards of 150mm width, and three intermediate boards of 95mm width. Two pallet 'tunnels' of 180mm must also be maintained, between the lead boards and the next intermediate board



The top deck of each pallet must be comprised of seven or eight boards; two lead boards of 150mm width, and either five or six intermediate boards of 95mm width

Common Requirements for Pallets & Logistics Units

LU/Pallet Height

For all three retailers, **maximum pallet heights are capped by default at**:

- Ambient Product: **1.8 metres**
- Frozen Product: **1.2 metres**
- Chilled Product: **Varies between 1.2 metres *(e.g. Americold sites)* and 1.8 metres**
  (As the maximum height for Chilled pallets is site dependent, please check with your retailer)

Excluding frozen product *(for which the limit remains at 1.2m regardless of the product weight)* retailers also link the maximum pallet height to the gross weight of the product on those pallets, applying further height restrictions for heavier product:

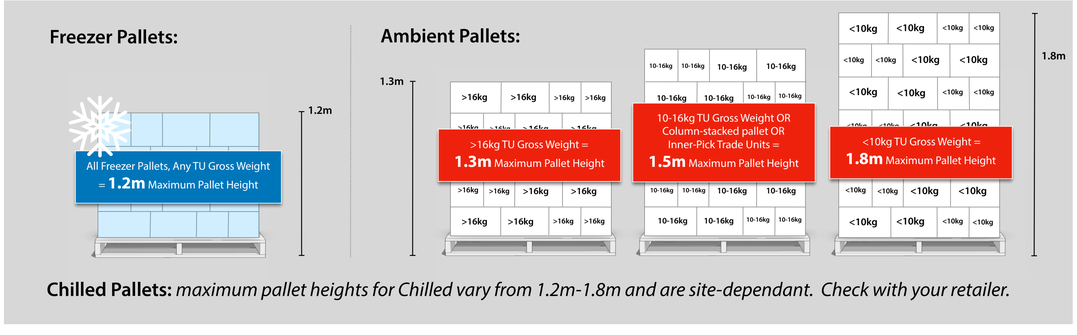
- where the trade units weigh **less than 10kg**, pallets may be stacked to a height of **1.8m***;
- where trade units weigh **between 10kg-16kg**, the pallet may be stacked to a height of **1.5m**;
- where trade units weigh **more than 16kg**, the pallet height is restricted to **1.3m**.

These limits reflect the additional risk of strain/injury to team members when picking heavier product at or above nominal shoulder heights.

*** Note:** *if pallets are **column-stacked** or the **pallet contains "inner pick" trade units** (wherein the DC team are required to open the outer pack and pick inner cartons for despatch to stores), **maximum pallet height is limited to 1.5m** regardless of trade unit weight.*

Exception #1: there may be instances in which a retailer is able to accept specific product into specific DCs at a pallet height outside this range, but this will require approval from the relevant retailer prior to despatching in this revised configuration. Unless specific retailer approval has been given (and this will usually also involve a Risk Assessment process with the retailer), the default maximum pallet heights apply.

Exception #2: there may be instances in which a retailer will require a lower HI than in the standard pallet configuration (even where Trade Unit gross weight is not a factor), if a specific DC in their network cannot accommodate a pallet at the full TIxHI. Any such exceptions will be communicated to the supplier as necessary.

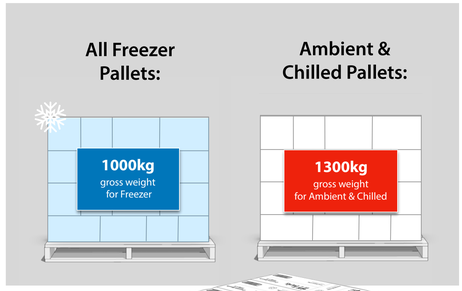


Chilled Pallets: *maximum pallet heights for Chilled vary from 1.2m-1.8m and are site-dependant. Check with your retailer.*

LU/Pallet Weight

Woolworths, Metcash and Coles all stipulate identical gross weight limits for inbound pallets.
By DC type/chamber, the maximum permissible pallet weights are as follows:

- **1300kg** gross weight for all pallets into Ambient sites
- **1300kg** gross weight for all pallets into Chilled sites
- **1000kg** gross weight for all pallets into Frozen sites



Please remember that - as this is the gross weight limit - it includes the weight of the wooden pallet in addition to the total weight of the product *(wooden pallets are typically 30-40kg, but can vary with condition, age and moisture level).*

LU/Pallet Configuration & TIxHI

For all retailers, it is essential that delivered pallets match the expected TIxHI and pallet configuration, as advised when ranging the product and as loaded in the retailers Warehouse Management System (WMS).

TIxHI of 12x4:
TI = Number of cartons per layer (12)
HI = Number of layers per pallet (2)

Every product has a defined TIxHI, reflecting the number of cartons or trade units that will be stacked on each layer (the "TI") and the number of layers that will be stacked on each pallet (the "HI"). Accordingly, a product loaded with a TIxHI of "12x6" in a retailer's system is expected to be received - consistently - as 12 trade units per layer, and up to 6 such layers on the pallet *(if the retailer ordered one half of a pallet, the "HI" would be reduced to 3, but the quantity per layer - the "TI" - would remain at 12).*

It is critical that suppliers deliver pallets in the correct TIxHI, as incorrect TIxHIs present a very serious risk to DC safety. The DC's WMS will use a calculation of the pallet height - based on the loaded TIxHI and trade units dimensions - and direct pallets to be stored in racking according. Where the actual, delivered TIxHI exceeds the system's expected TIxHI, team member safety will be compromised as they are directed to put pallets into racking - at height - that may not accommodate the pallet (leading to product falls etc).

Please note also that there may be instances in which a retailer will require a *lower* HI (a shorter pallet) than in the standard pallet configuration if a specific DC in their network cannot accommodate a pallet at the full TIxHI. Any such exceptions will be communicated to the supplier as necessary.

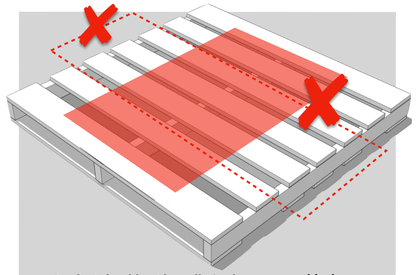
Common Requirements for Pallets & Logistics Units

LU/Pallet Utilisation & Overhang

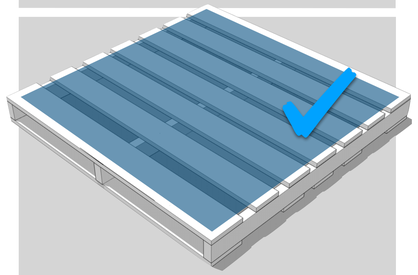
All retailers require that product utilise the pallet footprint as fully as possible, while not breaching that pallet footprint with any overhanging trade units. The 'pallet pattern' or packing layout (along with the shape/size of the trade unit) should be carefully considered to achieve the optimal balance.

Under-utilising the pallet footprint (e.g. having a narrow pillar of product in the centre of the pallet) leads to stability issues, as there is little lateral stability in transit and product cannot be supported by plywood boards or surrounding pallets.

Conversely, having product overhanging any edge of the pallet footprint presents unacceptable safety risks (pallets may strike racking beams and uprights, or catch on adjacent pallets/product) and affect efficient transportation.



Product should not be palletised as a narrow block, nor as a wide/long block that exceeds the pallet footprint



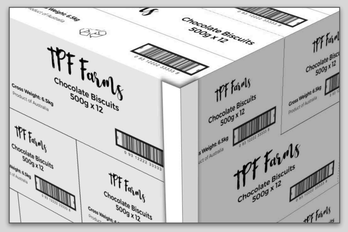
Product should be palletised in a configuration that maximises utilisation while remaining fully within the pallet footprint

LU/Pallet Corner Posts

Each of these retailers permit vertical, cardboard corner posts to be used on inbound pallets, where necessary to protect the product from damage in transit.

This allowance is strictly for cardboard posts only - no plastic or metal corner posts are permitted.

Note: as the addition of corner posts necessitates further collection and disposal of waste material, all retailers request that extraneous materials are kept to a minimum and only used where necessary.



Cardboard corner posts are permitted to protect product, but should only be used where necessary. Materials other than cardboard are not permitted.

LU/Pallet Wrapping

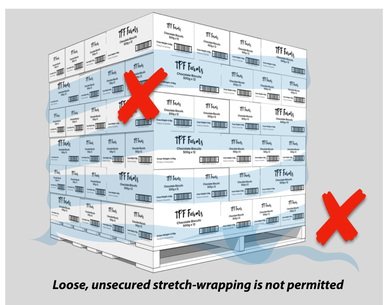
All three retailers require that pallets delivered into their networks are made safe, stable and secure.

Stretch-wrapping has been made mandatory for all pallets delivered into Coles. Woolworths and Metcash do not stipulate that all pallets *must* be stretch-wrapped, but are equally insistent on pallet stability and view stretch-wrapping as one of several approved (and effective) pallet stabilisation options. Stretch-wrapping is not mandatory for Woolworths or Metcash suppliers IF pallets have been made safe and stable by other effective means specifically-approved by the retailer.

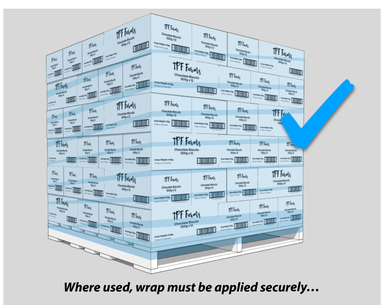
Where stretch-wrapping *is* used, however, all three retailers are aligned regarding how that stretch-wrap needs to be applied:

- Stretch-wrap must be applied with sufficient tension, and in a sufficient number of passes, to adequately secure the product - helping to minimise lateral movement in transit;
- Stretch-wrap must be secured to the top 30-50% of the wooden pallet, to help ensure that product is anchored to the pallet. *(It is important to all retailers that wrap does not extend lower than this point, as this will obscure the fork entry points of the pallet and lead to stretch-wrap 'dags' as fork tines pierce the wrap (these 'dags' can interfere with pallet profile scanners, and can cause the pallet to be rejected from automated infeed points));*
- Stretch-wrap must have no loose, trailing ends or 'tails': all retailers require that wrap ends are secured, as loose wrap poses safety risks and may also interfere with automation;
- Opaque/black stretch-wrapping is not to be used when delivering into Coles, Metcash or Woolworths: receiving staff need to have full visibility of the product to validate item, quantity, condition, date codes and also to scan barcodes - hence only clear stretch-wrapping is permitted.

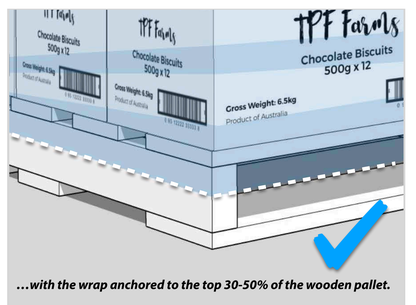
Please note that all three retailers prohibit the use of nylon or string netting to wrap pallets, as this can present significant safety issues, and introduces problems for removal and waste disposal in DCs.



Loose, unsecured stretch-wrapping is not permitted



Where used, wrap must be applied securely…



…with the wrap anchored to the top 30-50% of the wooden pallet.

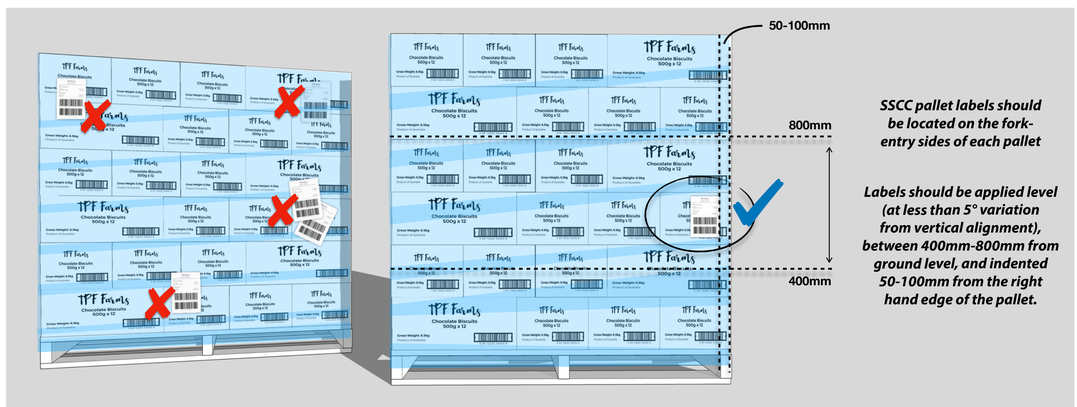
Common Requirements for Pallets & Logistics Units

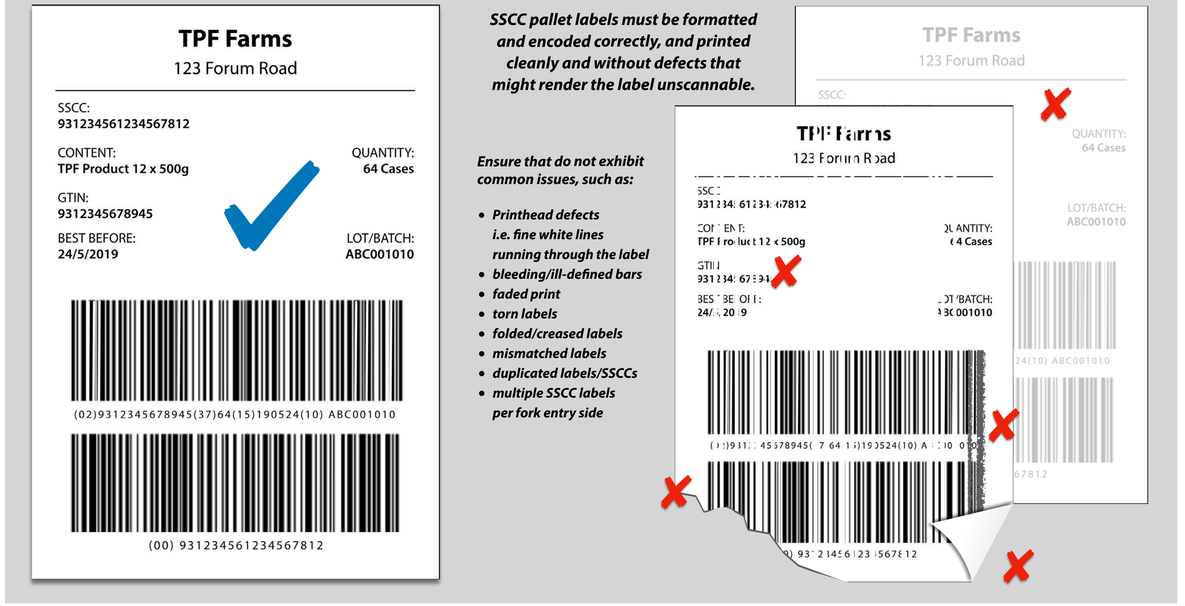
LU/Pallet Labelling

All retailers rely on SSCC pallet labelling to efficiently and accurately process inbound pallets. Scan receipting via the SSCC pallet label drives significantly-improved efficiency and accuracy, reducing the impact of human error and misidentification, and saving the time-consuming task of manually entering multiple fields of information into a receiving system.

All three retailers have aligned requirements with respect to SSCC pallet labelling:

1. Adherence to GS1 numbering and barcoding specifications is critical
2. SSCC labels must accurately reflect the product contained within the pallet
3. SSCC numbers must be unique - having not been used anywhere in the previous 12 months
4. SSCC numbers must be applied in matching pairs - one per each fork entry side of one pallet
5. SSCC labels must be placed correctly on each fork entry side of the pallet as follows:
   a. located between 400mm-800mm from floor level
   b. indented 50-100mm from the right hand edge of the pallet
   c. at no more than 5° variation from vertical alignment
   (ensuring fixed-head scanners can read the barcode)
6. No more than one SSCC pallet label pair should be applied to a pallet *(unless a pallet of mixed SKUs):* consolidated cartons of the same product should be prepared with *one* SSCC label *(per fork entry side)* reflecting the total carton quantity *(and the earliest/shortest date code information)*
7. Label print quality must be to a high standard and high decodability, with no print defects *(such as fine line breaks running through the label, caused by dirty/damaged print heads)*





Retailer-specific Logistics Unit/Pallet requirements:

As some Logistics Unit requirements are not fully aligned across retailers *(e.g. slipsheets, pre-pack display units etc)*, and as there are some areas where individual retailers provide additional detail and commentary, it is important to also review the retailers' individual Standards/Specifications documents. Those guides are available for download at the following locations:

- **Woolworths**: Woolworths Packaging & Barcode Specifications *https://www.wowlink.com.au*
- **Metcash**: Metcash Supply Standards *https://metcashsuppliers.com/logistics-cross-dock/*
- **Coles**: Coles Supply Standards *https://www.supplierportal.coles.com.au/csp/wps/portal/web/SupplyChain*

Multi-Coded Pallets (MCPs):

While Multi-Coded Pallets (MCPs) are not within the scope of this Common Delivery Guidelines for Industry document, it is important to understand how trade units of identical product with varying date codes can be palletised and labelled compliantly. MCP guidelines are available at the Trading Partner Forum website:

http://www.tradingpartnerforum.com.au/publications?currentPage=2

Common Requirements for Advance Shipping Notices (ASNs)

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Advance Shipping Notices - or ASNs - are an important part of all three retailers' supply chain operations and provide valuable forward visibility of inbound orders. In selected cases, ASNs can also allow for Express Receipt of loads by the retailer *(wherein a full load can be received by scanning just a single SSCC label associated with an ASN)* improving vehicle turnaround times and reducing transport costs.

Each of the three retailers have the facility to receive ASN messages from approved, 'live' suppliers, and there is an expectation that all suppliers who have been formally and successfully 'on-boarded' by each retailer's eBusiness/eCommerce team will transmit accurate and timely ASNs for their loads.

All three retailers monitor their ASN messaging gateways, responding to late, stalled or inaccurate ASNs and working with suppliers and DCs to quickly remedy any problems: loads will occasionally be waiting at DCs unable to be receipted, while the teams work with the supplier to find a late/missing ASN.

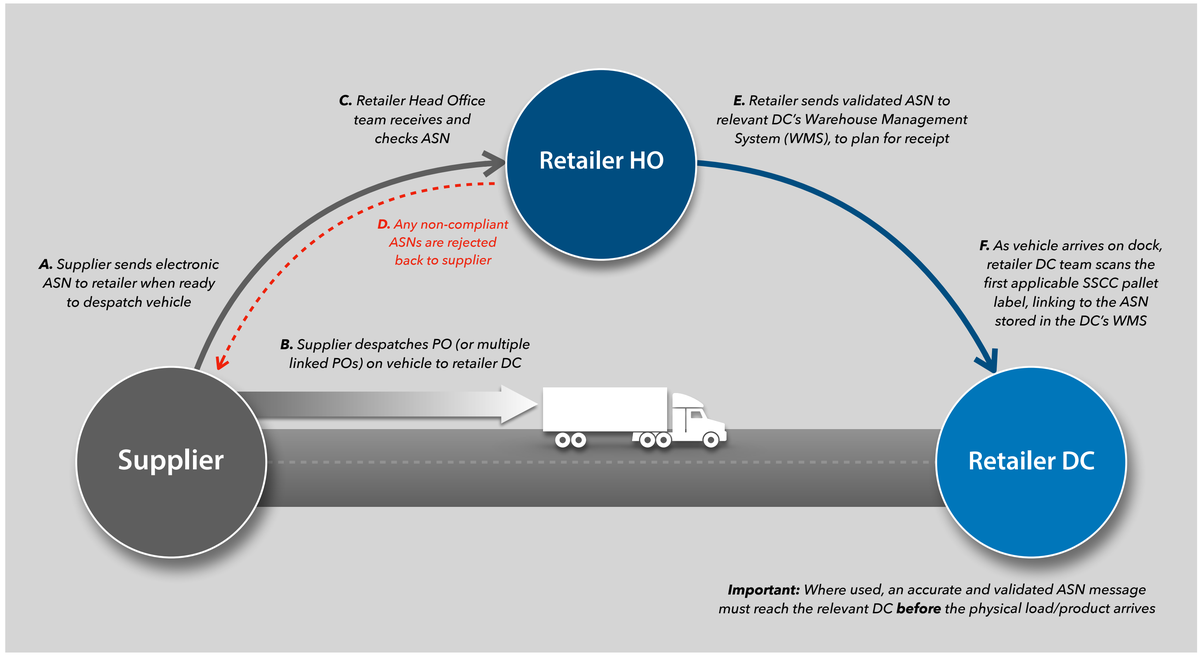
Regarding ASN messaging, retailers agree on the following criteria/expectations:

- Minimum EANCOM2002 standard for ASN messaging alignment
- Must have existing EDI capability (ie PO/POA/Invoice) and be live on the retailer's eTrade platform
- ASN messaging implementation must be tested/validated by retailer's eTrade/eCommerce team
- ASNs must accurately reflect the products (GTIN/SKU, quantity etc) on the relevant PO
- ASNs must accurately reflect details such as delivery location (GLN etc)
- ASNs must be sent and received well in advance of vehicle arrival at retailer DC
- ASNs cannot be split across multiple vehicles: one ASN per vehicle only

Beyond ASN exchange, those retailers who offer Express Receipt functionality (to approved suppliers) agree that Express Receipt can only be offered to suppliers who exhibit the following criteria:

- Consistent, accurate ASNs
- Consistent, accurate, high quality SSCC pallet labelling
- Sustained, high level of conformance to essential enablers including MLOR/shelf-life
- Strong "On Time" performance, minimal Purchase Order No Shows

Importantly, Express Receipt functionality is offered at the discretion of each retailer, and generally with approved suppliers on a case-by-case basis: please contact your retailer for more detailed information.



Metcash Laverton RDC, VIC

Metcash Laverton RDC, VIC

Common Expectations for DIFOT & On Time Delivery

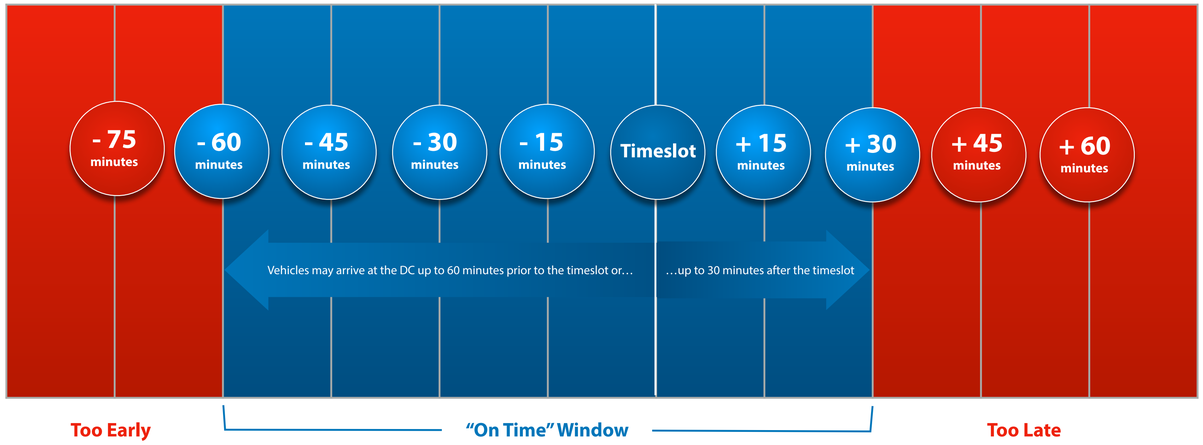
Common DIFOT & *On Time* Expectations

Common Expectations for DIFOT/On Time Delivery

Woolworths, Metcash & Coles all consider customer satisfaction and a positive customer experience to be at the core of their objectives, and their supply chain teams place enormous importance on product availability. Customer satisfaction, customer loyalty and sales all rely on being able to satisfy customers with strong, consistent availability of their favourite products and brands.

Accordingly, all three retailers place a very strong emphasis on Inbound Service Level and DIFOT: the ability of their suppliers to Deliver In Full and On Time. All three actively track and measure inbound performance of their suppliers against service level targets, and share performance scorecards with supply partners *(comparing actual purchase order receipts against expected arrival times and expected carton fill)*. While there is variation in technical capability and distribution, and differences in how some performance measures are calculated, retailers agree on what constitutes "On Time" delivery.

Across all three retailers, suppliers are expected to deliver each order within its "On Time" window. This On Time period is universally defined as a 90 minute window around a scheduled timeslot: specifically, the On Time window begins ***60 minutes prior*** to the scheduled timeslot, and ends ***30 minutes after*** that timeslot. For example; for a 9:00am timeslot, all three retailers allow the order to arrive up to 60 minutes early (8:00am) and up to 30 minutes after (9:30am) to still be considered On Time. Orders delivered outside of this range are considered to be Early/Late.



Coles Somerton NDC, VIC

Woolworths Melbourne South RDC, VIC

Pre-Despatch Checklist & Additional Resources

Pre-Despatch Checklist & Supporting Resources

Supporting Resources

Each of the three retailers maintain their own specifications and standards documents, which cover broader areas than those covered in this guide. Additionally, there are areas within the scope of this document where retailer variations exists. It is therefore essential to consult those retailer-specific documents in addition to this *Common Delivery Guideline* for Industry resource.

The three documents are available for download here:

- **Woolworths**: Woolworths Packaging & Barcode Specifications *https://www.wowlink.com.au*
- **Metcash**: Metcash Supply Standards *https://metcashsuppliers.com/logistics-cross-dock/*
- **Coles**: Coles Supply Standards *https://www.supplierportal.coles.com.au/csp/wps/portal/web/SupplyChain*

The Trading Partner Forum has produced a suite of one page guides and print-ready checklists to further assist compliance and help ensure products are despatched in the best condition. Those guides and checklists are available for download at the TPF website:

- **TPF Pallet Despatch Checklist Poster:** *http://www.tradingpartnerforum.com.au/perfect-delivery/*
- **TPF One Page Reference Guide:** *http://www.tradingpartnerforum.com.au/perfect-delivery/*

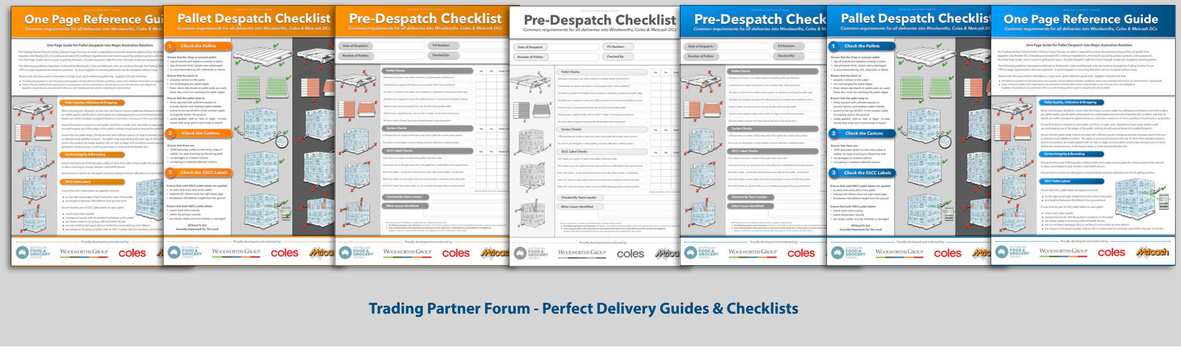
GS1 Australia manages the GS1 numbering and barcoding system within Australia, and provides extensive references (and training) regarding all aspects of number allocation, GTIN symbology and encoding, SSCC labelling, barcode verification, National Product Catalogue and more. GS1 Australia services can be accessed through the following links:

- **GS1 Australia Help Desk:** *https://www.gs1au.org/resources/help-centre/*
- **GS1 Australia Barcode Verification:** *https://www.gs1au.org/our-services/barcode-check/*
- **GS1 Australia Numbering & Barcoding Guide:** *https://www.gs1au.org/our-services/numbering-and-barcodes/*
- **GS1 Australia National Product Catalogue Guide:** *https://www.gs1au.org/our-services/national-product-catalogue/*

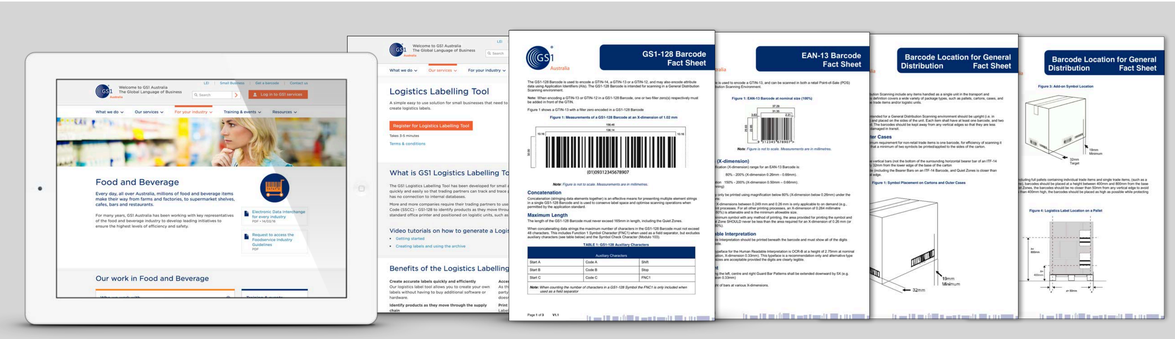
Woolworths Packaging & Barcode Specifications

Metcash Supply Standards

Coles Supply Standards



Trading Partner Forum - Perfect Delivery Guides & Checklists



GS1 Australia

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For feedback and/or general enquiries, please contact: ***afgc@afgc.org.au***

TPF Common Delivery Guidelines for Industry

Version 1.0 - September 2018

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