Red Bull Logistics

and

Berger Logistik

HANDLING of DAMAGES

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1. Un- / Reloading at Destination

- Careful handling is necessary
- Visual check of quantity and quality has to be done at the moment of unloading
- Every visible damage or shortage has to be reported immediately after unloading (for insurance reasons)
- Photos of the damage / theft should be taken

2. Definition of Damage

Every can/bottle with visible deformation or in contact with Red Bull liquid must be sorted out IMMEDIATELY:

- Squashed Cans/Bottles
- Scratched Cans/Bottles
- Cans which were in contact with Red Bull = Wet
- Dirty Cans

Every pallet for which the stability and transportability of the goods is no longer given, has to be repaired or exchanged after clarification.

2.1. The whole tray/case is damaged

The whole Tray/Case must be reported as damage and is a matter of insurance

2.2. Some cans/bottles in a tray/case are good, some are damaged

Please sort out the good cans/bottles, re-pack them into a new tray/case and shrinkwrap the tray; cardboard trays/cases will be supplied by Red Bull GmbH, Fuschl

Costs for repacking and costs for damaged goods are a matter of insurance

2.3. The pallet is damaged

The pallet has to be repaired or exchanged as per instructions from Berger Logistik. Spare pallets will be provided from Red Bull GmbH, Fuschl.

<u>Particularity for shipments to Japan:</u>

Damages of pallets are categorized in attached catalogue (Fehlerkatalog_DPA_JP.pdf). Damages are classified in acceptable and not acceptable and have to be considered accordingly.

3. Umbrella Effect

1) Mechanical damage to cans
2) Primary leakage
3) Flow of can contact into trays
4) Secondary corrosion attach (from the outside in)
5) Possible secondary leakage
6) Flow of can content into trays

Repeat of Cycle is “Umbrella effect”!

3.1. Umbrella Effect for “Scientists”

The importance of removing any leaking can is required due to a reaction called secondary corrosion. We call it **umbrella effect**.

A damaged leaking can, the “primary leaker”, will cause product to flow around other cans. The product spill combined with oxygen from surrounding air and ingredients in the pulp for trays forms a very corrosive environment. After a couple of days or weeks depending on the temperature conditions, other cans start leaking from corrosion attacks, particular at the lower part.

These cans are called “secondary leakers”. The result is a “domino effect” and a few primary leakers can destroy a whole batch of cans if not removed early enough.

On the other hand growth of microorganisms (i.e. moulds) is possible on wet trays as well.

So the Umbrella effect means, that in case of any damages not only the damaged can itself is considered as bad product, also the other cans will be damaged after some time.

For that reason damaged cans and/or wet trays have to be sorted out from good cans or trays.

4. How to Report Damaged Product or Shortage (Truck/Train/Container) and to whom

- REPORT has to be done IMMEDIATELY after UNLOADING (if the report is done later insurance will not cover this case)
- State the EXACT NUMBER of damaged / missing BOXES
- State the type of damage (theft, squeezed cans, wet trays, etc.)
- Fill out damage report correctly
- Take PHOTOS of the damage
- Operations department of Berger Logistics has to be informed IMMEDIATELY on damages/thefts

Please send immediate a claim report to Berger Logistik cs.rb.team.truck@berger-logistik.com and/or cs.rb.team.rail@berger-logistik.com which includes:

- CMR with Damage Note
- or CIM with Damage Note
- or Delivery Note with the Damage Note
- or Damage Report for Container Deliveries
- and Average Certificate for Containers if made
- and Photos

Please note: Claim sheets, CMR's and any other necessary paperwork, which is not clearly filled out, will **not be accepted** by the insurance, which causes loss of the credit note

5. Handling of Damaged Cargo

- Sorting out the damaged / wet trays in a pallet must be done immediately
- Re-complete the pallet with good product
- Wrap the pallet carefully with plastic foil
- Remove the good cans immediately from partly damaged trays
- Build up new trays with recovered product from partly damaged trays
- Only dry and proper cans may be repacked (see „Umbrella Effect")
- Pallets need to be restacked as instructed by "pallet loading patten sheet"
- It is not allowed to mix the goods of 2 pallets with damaged trays together onto 1 new pallet. In this case we would lose the SSCC-Traceability
- The origin SSCC – label has to be re-used – see "label placement instructions"
- The damaged cans have to be loaded at the end of the truck/container

6. Label Placement Instructions

per pallet 2 labels with identical SSCC No. are (have to be) attached

① Distance from ground till bottom line label = 69cm

Distance between corners: ② Length side of pallet = 20 cm

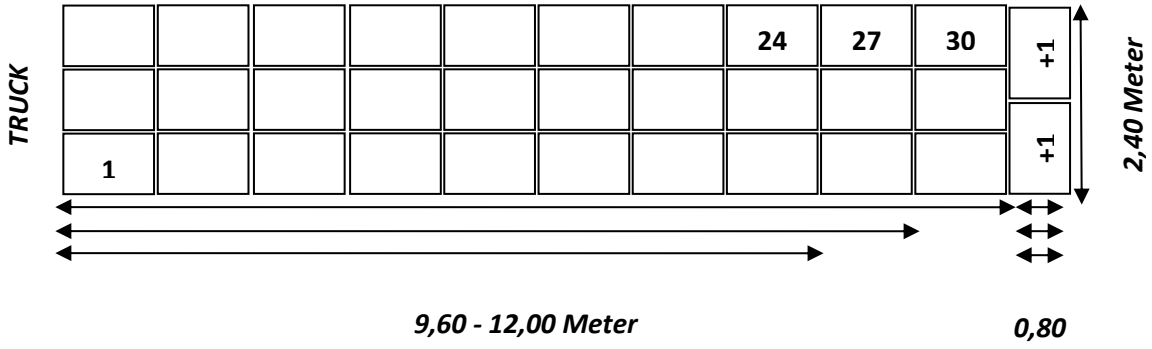
③ Short side of Pallet = 10 cm

Note: on the length side the label has to be sticked left and on the adjacent short side right

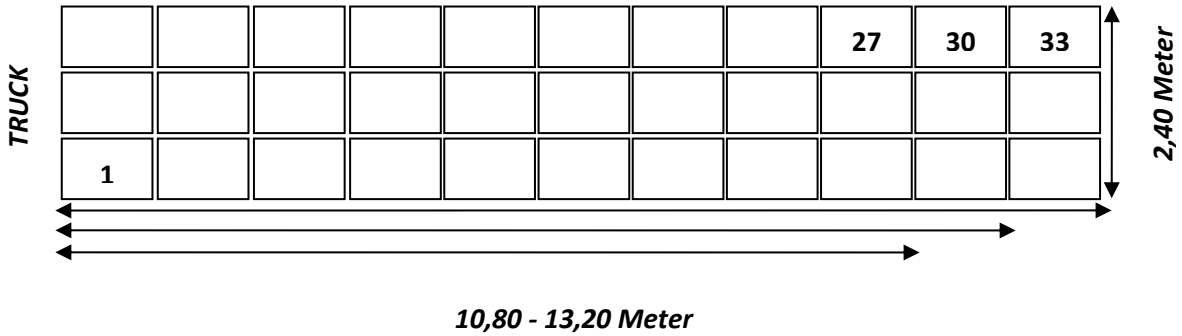
7. Guideline of pallet placement on truck deliveries

The last pallets must be secured against slipping and falling down of trays must be prevented.

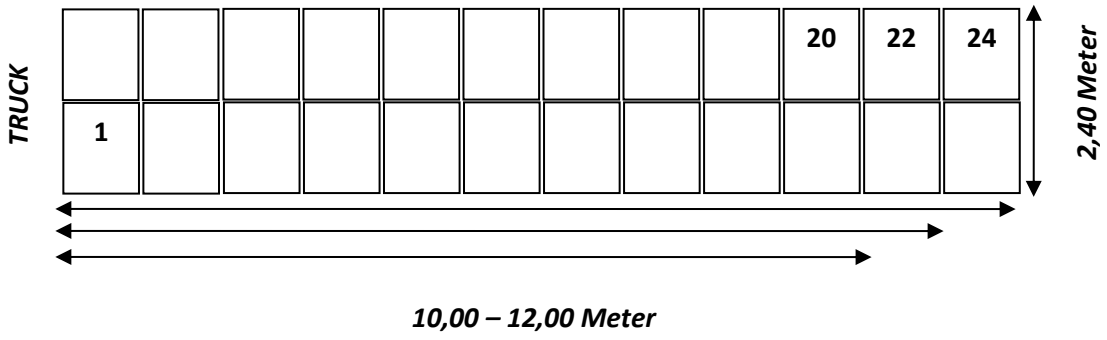
Guideline *2 pallets for loading finish*



Guideline *3 pallets for loading finish*



Guideline CHEP industrial pallets / CHEP Mark55 (1,2 x 1,0 m)



8. DON'Ts in Warehousing / Reloading

- NO storage in DIRECT SUNLIGHT
- NO storage near HEAT SOURCES
- NO storage together with CHEMICALS
- NO storage together with ANIMAL FOOD
- NO storage together with INTENSIVE SMELLING product or other DANGEROUS PRODUCT
- NO storage together with COMPETITOR PRODUCT
- Never throw single trays (picking up and putting down carefully)