



GROUP QUALITY DEPARTMENT

QUALITY REQUIREMENTS

FOR

WAREHOUSING & TRANSPORTATION

VERSION 1
June 2012

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13. STAFF AND FACILITIES FOR EMPLOYEES

13.1 – GENERAL REQUIREMENTS

The company must avail of a **written training programme** (with final documented verification) **on basic hygiene, pest-control, and good warehouse practices** (depending on the type of products handled) which must be distributed to all before they start work.

It must be distributed to:

- permanent recruited staff: updated at least every 2 years;
- temporary, seasonal, external staff (e.g. cleaning staff, third parties...): updated at each work cycle.

13.2 – HYGIENE SERVICES AND STAFF FACILITIES

- **Hygiene services:**
 - must be in a sufficient number;
 - must not communicate directly with the storage rooms;
 - must have tiled walls and floor;
 - must be equipped with consumption materials and all the basic equipment.
- **Washbasins** (preferably with non-manual opening) must:
 - have drinking water;
 - have hand washing material;
 - have a hygienic drying system (single use paper or air);
 - have labels indicating the importance of the correct washing of hands.
- **Changing rooms** must:
 - have a sufficient number of closets to contain clothes;
 - be inside the work areas or connected by covered passageways;
 - be equipped with correct air-conditioning;
 - include signage with the basic hygiene rules.
- **Smoking/break-rooms/areas dedicated to food consumption** must be:
 - inside the work areas;
 - correctly bordered and identified;
 - kept clean and tidy;
- **Areas dedicated to the drivers** must:
 - be kept tidy and clean;
 - be separated from the storage areas;
 - be equipped with hygiene services and areas for food consumption and smokers areas;
- The **automatic distributors** (drinks and snacks) must be subject to monitoring activities for the risk of pests. They should be lifted from the ground to allow proper cleaning.

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13.3 – WORK CLOTHING

(for the conditions of use keep to the instructions set out in the table)

To avoid hygiene risks and contamination from the outside, **work clothes and head gear** must:

- be worn exclusively once arrived at the place of work;
- be kept clean and in good conditions (without tears or fraying).

Type of warehouse		REQUESTS		
		Work clothes	Head gear	Forbidden jewellery (bracelets, piercing, watches..)
Inside production plants		YES	YES	YES
External	Raw materials	YES	NO	NO
	Packing	YES	NO	NO
	Finished products	YES	NO	NO
	RM working (eg. pouring sugar from sacks to cistern)	YES	YES	YES

Note 1: NO means that the condition is not strictly required.

Note 2: drivers do not fall within the conditions listed above on condition that they do not enter the storage area of the goods. Their presence is allowed exclusively at the loading bays and areas dedicated to them.

13.4- CLEANING AND STAFF BEHAVIOUR

All staff (Ferrero or external) working in the warehouse continuously or occasionally, must comply with the following rules:

- wash hands before starting and resuming work after breaks/use of hygiene services/potentially contaminating tasks (e.g. after managing waste, collected products/materials from the floor, touched things other than the product,...);
- eat, drink and smoke in the dedicated rooms;
- use the closets located in the changing rooms correctly to recover the clothes;
- do not leave personal clothes or objects around (in particular, it is absolutely forbidden to introduce objects in glass or other foreign unauthorised material into the warehouses);
- adopt behaviour suitable to preventing pests like:
 - closing doors and windows;
 - do not leave food or dirty containers around,
 - use waste containers, etc. correctly...;
 - promptly inform your direct superiors of any critical problems.

Note: For any doubts on the behaviour to keep or actions to carry out which are not codified all staff must report to their direct superior or area manager.

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14. REWORKS

For working and reworking of products refer to the specific Ferrero document.

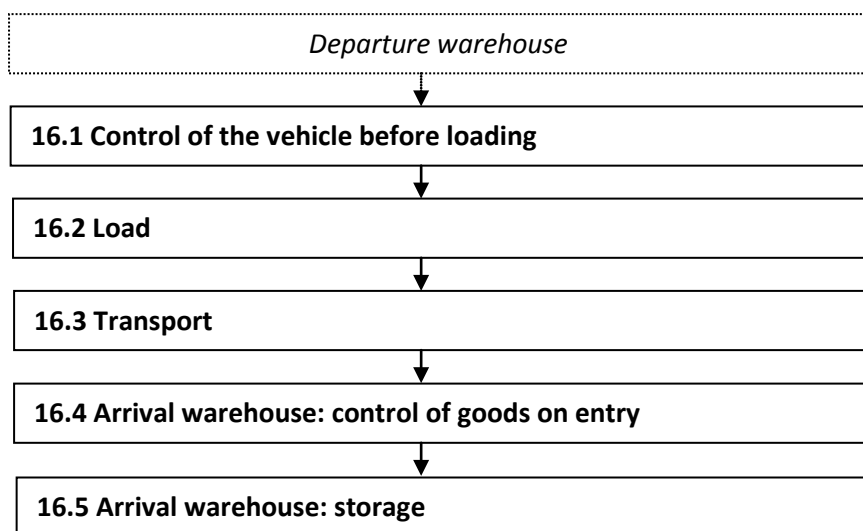
15. COLLECTION – PRODUCT RECALL PROCEDURES (TRACEABILITY)

An adequate system to identify and trace the products must be implemented to ensure that the products which do not respond to the food safety requirements can be identified, located and removed from all points of the food chain. The efficiency of the system must be verified at least annually by a simulation of traceability.

Precise correspondence is required between the customer the address and code of the production lot delivered.

16. STORAGE, DELIVERY AND TRANSPORT

This chapter is developed according to the following flow diagram:



This diagram shows a “typical process” applicable to any logistics reality of the Group. The quality specifications are detailed for each phase in the paragraphs below.

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16.1 – CHARACTERISTICS OF THE VEHICLE BEFORE LOADING

The vehicles must always be checked before loading to verify that they respond to Ferrero requirements.

The control must be supported by a check-list with specific space for the signature of the operator.

Minimum controls on empty vehicle	SEMI-FINISHED RM	SURPRISE PACKING	FINISHED PRODUCTS
1. vehicle authorised to transport food, clean and without foreign odours	X	X	X
2. absence of moisture, water residues	X	X	X
3. absence of pests or traces of them	X	X	X
4. seal from weather agents and good seal of gaskets or cover sheets	X	X	X
5. good working order of the conditioner / refrigeration unit; furthermore, the vehicle must already be pre-conditioned at the moment of loading	X (where necessary)		X
6. presence of a system to record temperature which guarantees its monitoring during the entire trip (including stoppages) with the possibility to verify the progress (unloading date/print)	X (where necessary)		X
7. Equipment or partitioning to block or separate the load	X	X	X
8. Delivery in reefer container: presence of system to control the moisture with closed air circulation.	X		X



If anomalies are found the vehicle must be refused or sent to a cleaning centre. The recording of the anomalies allows to assess the performance of the transport service supplier (KPI).

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16.2- LOADING OPERATIONS

The **loading precautions** are:

- respect delicacy of the product: knocks, jolts, improper behaviour such as climbing up onto the goods, etc. should be avoided;
- stack goods in a way that guarantees adequate air circulation;
- for pallets:
 - o they must not be stacked with empty spaces:
 - o where necessary, to guarantee stability of the load, place specific stops or inflatable cushions and other similar solutions.
 - o for any stacking, see the charts of paragraph 16.5.
- for loose cartons/displays:
 - o the product placed at the bottom must be able to support the weight of the product above it;
 - o do not exceed the height of the original pallet, with the exception of the codes for Overseas Countries, which are designed to support greater loads and stress (suitable for transport in containers); in the event of anomalous or dubious situations, consult a technical person.

Load promiscuity of the finished Ferrero products is only allowed with food substances:

- packaged with good seal and which do not give off odours;
- compatible for transport temperature (except where there are different instructions written by DQG);
- integration is allowed with pallets of promotional materials/Ferrero packing.

For **controlled temperature transport**, at the end of the loading activity the warehouse must:

- position on the internal side of the vehicle the **temperature control** device (heat sensitive strip or other equivalent system); in the event of direct deliveries to customers, accompany the device with the relevant instructions on its correct interpretation:
- indicate the set point temperature and moisture (in the event of the containers) required in the **transport document**.



At the end of the loading activity, the guarantee seals must be applied to all openings (see ch. 18 “Bio-terrorism” for details). For multi-drop loads, see details at chapter 18.

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16.3 – TRANSPORT



The transport phase does not guarantee lowering of the temperature but must assure it is maintained and avoid sudden changes in temperature!

Request/transport order

it must be issued by the competent Ferrero offices and must always contain the methods of service required; in particular:

- indicate the set point of the temperature required;
- indicate for the “reefer” container: control of moisture with closed ventilation;
- indicate the loading date;
- indicate the desired delivery date.

Furthermore, at contractual level, the following must be requested:

- **Transit time:** transport must occur in the shortest possible technical time;
- **HACCP:** risk analysis, where required by legislation;
- **pallet requirements** in the event of change request:
 - o in good condition, integral, clean (free of moulds, mushrooms, various residues),
 - o free of foreign odours and free of pests.

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The transport temperature must be set depending on the type of departure warehouse:

FINISHED AND SEMI-FINISHED PRODUCTS	
TYPE OF DEPARTURE WAREHOUSE	SET POINT VALUE OF TRANSPORT VEHICLE
freezing	-25 °C
Fridge-preservation	+2°C (in the event of reefer container RM control: max 65%)
“ambient”	+14 °C (in the event of reefer container RM control: max 65%)
dry	Reefer with fridge off
TOLERANCE: for all categories a tolerance of +/- 2 °C is allowed.	
Secondary transport of FP (“fractioned distribution”): a temporary highering of the temperature is tolerated, compatible with an operational logic of delivery to customers; in any case, the maximum temperature shown below must not be exceeded:	
- max 14°C for the fridge-preservation category; - max 24°C for the ambient category.	

RAW MATERIALS	
TYPE OF DEPARTURE WAREHOUSE	SET POINT VALUE OF TRANSPORT VEHICLE
freezing	-25 °C
fridge-preservation	+5°C (in the event of reefer container RM control: max 65%)
“ambient”	+14 °C (in the event of reefer container RM control: max 65%)
Dry	Reefer with fridge off or tarp-covered

PACKING	
TYPE OF DEPARTURE WAREHOUSE	SET POINT VALUE OF TRANSPORT VEHICLE
Ambient	- tarp-covered for short distances, example shuttle service; - reefer with fridge off; - for long distance deliveries (e.g. overseas) containers with temperature and moisture control.
Dry	Tarp-covered or box containers

SURPRISES	
TYPE OF DEPARTURE WAREHOUSE	SET POINT VALUE OF TRANSPORT VEHICLE
Dry	reefer with refrigerator off;

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Procedure to manage anomalous cases generated during transport



Photographic documentation of the anomalies found/goods under control is recommended where possible.

Person in charge	Accidents and/or faults to refrigeration system	-acts of vandalism/theft -tampering with seals -custom controls and/or external Authorities,	Heat sensitive strip or other equivalent system ----- other anomalies of the vehicle emerged during unloading
Haulier	he <u>promptly</u> reports the type of anomaly to the Ferrero Transport reference person declaring any delays; he suggests a solution (e.g. possibility to transfer or store temporarily) he awaits the instructions of the Ferrer Transport reference person	He immediately reports the event to local authorities; he presents the statement of the report at his destination; -in the event of custom controls he must request a statement which proves the tampering occurred to the seals and must request the placement of a new seal or equivalent measures.	
Ferrero Transport reference person	A reference person trained on quality issues is consulted in writing for an intervention in order to share the solution; He works with compatible timing depending on the shelf-life of the transported products.		
	He provides an answer to the haulier which authorises him to proceed and in writing he advises the recipient of the goods on the solution found.		
Goods recipient: head of the arrival warehouse	He carries out an external control of the goods and temperature records; an abnormal temperature or other anomaly activates: - the intervention of a reference person trained on quality issues; - a recording of the anomaly on the transport documents; (the driver must sign the document)	He carries out an external control of the goods (traces of tampering) and temperature records; an abnormal temperature or other anomaly activates the intervention of a reference person trained on quality issues;	He controls the vehicle recordings; the finding of an abnormal temperature activates: - the intervention of a reference person trained on quality issues; - a recording of the anomaly on the transport documents; the driver must sign the document)

The goods “under control” must be:

- isolated in the event of goods that are infested, bad and/or non-compliant with quality specifications;
- identified with specific signage and object of assessment by Quality;

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16.4 CHARACTERISTICS OF THE VEHICLE AT UNLOADING

- **The vehicles which deliver the materials** must always be checked at arrival and during the unloading stage to verify that the materials have not suffered damage during transport (see table below).
- The **control** must be supported by a check-list with specific space for the signature of the operator.



Pay maximum attention to controls which must be made jointly by internal warehouse and the driver in the event of seals and heat sensitive strips/equivalent systems (to promptly verify at the opening of the vehicle).

MINIMUM CONTROLS	RM/SEMI-FINISHED PRODUCTS	SURPRISE PACKING	FINISHED PRODUCTS
BEFORE OPENING			
Seal control: integrity and correspondence of numbers with what is listed on the transport document	X (where required)	X (only for surprises)	X
Transit-Time (technical time compatible with distances travelled and rules of haulage)	X		X
IMMEDIATELY ON OPENING			
Documented control of the temperature (and of moisture, where required); heat sensitive strip or other equivalent system	X (where required)		X Parfait products: obligation to check vehicle registration
DURING UNLOADING			
Absence of moisture, condensation	X	X	X
Absence of pests or their traces	X	X	X
Seal to weather agents and good seal of the gaskets or covering sheets;	X	X	X
Absence of dirt residues, foreign odours;	X	X	X
Verify compatibility (in the event of mix of transported products)	X		X
External integrity of the goods	X	X	X
Correspondence of the wooden pallet to the regulations of new and/or first choice pallets*	X	X (also for deliveries of pallet loads)	

*Reference to specification n°. 1-8-021- l.v. (new EPAL pallets) - n°. 1-8-023- l.v. (1st choice EPAL pallets)

NOTA: To manage the anomalies connected with transport refer to the table of the previous page.

N.B.: If stamped the copy is to be considered unchecked; verify its update in the specific information site.

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16.6 – QUALITY SYSTEM AND SELF-MONITORING

The owner of the warehouse (“master of the house”) must have:

- **authorisation to store** the food products, where requested by the legislation;
- a risk assessment based on the **HACCP** method, where requested by legislation; in this case the minimum requirements of Ferrero imposes as CCP or oPRP the following critical points:
 - control of seals upon the receipt of goods, where required (see list in chapter 18.2);
 - temperature control in the transport and storage of parfait/frozen products;

NOTA BENE: In countries in which the legislation does not provide for the HACCP study, Ferrero requires monitoring of the two requirements mentioned above;

NOTA BENE: In the warehouses located in Ferrero factories the HACCP study is asked for independently of the legislation requests;
- a **cleaning plan**;
- a **pest control plan**;
- **temperature/moisture/concentration of residual oxygen records**, where applicable;
- the recording to verify the metrological chain of the **measuring tools**;
- **check-lists of the transport vehicle** at loading/unloading with periodic summary of the anomalies;
- **recording of staff training**.
- The warehouse manager must provide for the **updating and the archiving** (indicatively for 1 year) of all these documents, to keep and make available for any verifications.
- With the purpose of verifying compliance with the requirements, **periodic inspections** can be carried out by Ferrero by filling out the specific evaluation check-list.

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17. INFORMATION ON PRODUCTS

All FP/RM/PKG/ surprise pallets must have an **identification code** (label) with all the information for:

- traceability;
- goods rotation; to allow “visual” verification it is necessary to indicate at least the number of production week: it must be visible and in bold: pay attention to the position of the pallet so that the identification label is visible (the latter should be placed at least on two sides).
- stacking of the pallets.

Products with restrictions of “non availability” for analysis underway or blocked under control; in this case, verify that the blocking/unblocking procedures are complied with (example: Sterile Products, in this case it is necessary to indicate the sterilisation lot).

18. PREVENTION OF BIOTERRORISM

18.1 PRECAUTIONS DURING STORAGE

Each warehouse must assess the danger for the products connected with the potential actions of **sabotage, vandalism, or terrorism** and must, consequently implement protective measures:

- all **staff**, who works within the warehouse, must comply with the following requirements:
 - **direct employees;** according to internal staff;
 - **indirect employees,** who work in services (e.g. cleaning companies, pest control companies, load pulling), must belong to companies regulated by a contract and fall within a list of authorised names. This staff must be equipped with an identification badge;
 - **visitors:** must be registered:
 - the **drivers** are authorised to stop only in the loading bay and in the areas reserved to them.
- the **access points** (doors, main entrances) must be submitted to restrictions through the use of locks, badges or alternative systems.
- **the trapdoors of the tanks/deposits** (that is the containers used to store the RM or SFP be they liquids or dust): they must be sealed.

To guarantee inviolability of their content, it is necessary to apply measures like seals, locks or other suitable means. The persons in charge must also verify and inspect the presence of such measures.

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18.2 PRECAUTIONS DURING TRANSPORT: SEAL CONTROL

Single delivery: at the end of the load, apply **guarantee seals** to all openings of the vehicles; each seal must be marked by an unequivocal number. This number must be shown on the transport documents (avoiding manual transcriptions). It is the responsibility of the driver to verify their correct application.

More deliveries (multi-drop distribution): the departure warehouse must provide the driver:

- with the transport documents showing the number of the seals to apply after each unloading;
- the seals to apply after each unloading;
- the instructions to follow this operation correctly.

SEALS*				
TYPE OF TRANSPORT	PACKING	RAW MATERIALS	FINISHED PRODUCTS AND SEMI-FINISHED PRODUCTS	SURPRISES
From supplier to warehouse	NO	YES	YES	YES
Primary transport (exchange between factories and deposits)	NO	YES	YES	YES
Secondary transport	/	/	NO	/
Routine transfers always with the same haulier (shuttle bus service < 2 hrs)	/	NO	NO	NO

* Any exclusions are bound to a specific risk analysis and documented.