

SUPPLIER PACKAGING GUIDELINE

OBSAH

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1 BASIC INFORMATION

1.1 PURPOSE

The purpose of this document is to establish basic rules of packaging of deliveries going into CZUB.

1.2 GOAL

The goal of this document is to harmonize processes of CZUB and respective suppliers to avoid unnecessary manipulation, waste and support traceability and performance of the supply chain.

1.3 SCOPE AND VALIDITY

This instruction is an integrated part of purchase order and if no concerns or objections from the supplier side are addressed, it is regarded as accepted.

The CZUB logistics department is responsible for updating of this instruction.

1.4 METHODOLOGY OF SUPPLIER PACKAGING

This instruction for packaging, conservation, marking and shipping prescribes minimal demands for protection of items shipped by sea, air and land.

The supplier is responsible for draft of packaging instruction for individual items with accordance to this instruction.

In case the supplier is not able to comply with all demands stated by this instruction, an alternative solution can be offered, which, upon accepting by CZUB, becomes binding for frame orders, TPP etc.

If there is a special request for packaging for CZUB customers, these will be presented to the supplier via a special packaging instruction.

The packaging must in any case provide protection from:

- Mechanical stress and damage,
- Any type of contamination,
- water,
- corrosion due to exposure to moisture,
- climatic influences,
- environment (industrial waste, gasses etc.)
- loss of material.

Basic principles for design of supplier packaging instruction are as follows:

Základními principy pro návrh dodavatelského balení jsou:

- technological demands for packaging of individual product,
- basic logistic standards for correct marking and safety during transport, manipulation and storage,
- economy and ecology.

The supplier must eliminate unnecessary packaging when designing the packaging, the packaging must not be larger and more expensive than necessary, the filler material must be reduced to a minimum, use recyclable materials and properly label them in accordance with the requirements of waste management. If possible, use one type of packaging, and returnable packaging should be

preferred if it is economically and qualitatively identical. Packaging should correspond to standard sizes.

When delivering packaging material made of solid wood (mainly pallets) from abroad, the phytosanitary provisions of the IPPC must be observed.

Preferred packaging material: unpolluted wood (pallets, crates, prism, ...), plywood, cardboard (smooth, corrugated), PE, PP, EPP, ABS, etc.

Prohibited packaging material: foam for packaging (e.g. foam), PVC.

1.5 DELIVERY TO CZUB

According to the Incoterms, the supplier is responsible for organizing the transport to CZUB so that a time window is reserved and confirmed for the delivery in the Time Slot Control online application (available at <https://czub.timeslotcontrol.com>). In case of arrival outside the time or without a reserved time window, CZUB cannot guarantee the admission of the carrier to the premises and collection at the reception ramp. Specifika dodávaných položek

Nestandardní vlastnosti dodávaných položek a z toho plynoucí specifické přepravní a skladové podmínky musejí být dohodnuty mezi dodavatelem a CZUB a zakotveny v rámcové smlouvě, TPP apod. Zejména se jedná o:

- specific storage conditions, such as temperature, humidity, expiration, preservation, UV radiation, etc.
- specific transport requirements – transport of dangerous goods (ADR, etc.), specific packaging and handling of consignments, oversized consignments, parts of main weapons (records in CRZ), etc.

1.6 ASSESSMENT OF DELIVERY PERFORMANCE

CZUB reserves the right to inspect the packaging for each delivery. Supplier packaging will be part of the evaluation of suppliers and deliveries.

1.7 LOGISTIC CLAIMS

The supplier is responsible for all damages resulting from insufficient packaging, insufficient or incorrect labeling and insufficient or incorrect documentation. CZUB reserves the right to refuse to accept the shipment or to demand payment for additional costs incurred.

Delivery may be rejected due to following reasons:

- Missing delivery note,
- inadequate storage of goods on the pallet,
- goods exceeding the dimensions of the pallet,
- inadequate pallet quality,
- missing order number,
- incorrect delivery address.

In the event of a complaint, the supplier will be informed within 48 hours of delivery of the shipment and asked to analyze the error and implement corrective measures.

Category / subcategory of complaints in logistics:

- Differences in quantity – deviation between the delivery note or delivered quantity
- Delivery documents
 - Incorrect or missing data on delivery note,

- Document missing or incomplete.
- Packaging
 - Incorrect labelling of packaging,
 - Incorrect or missing label on goods,
 - Damage to goods,
 - Damage or pollution of transport packaging,
 - Incorrect packaging / means of transport (inadequate pallet, incorrect stacking of goods on the pallet,
 - Mixing of various goods in packaging.
- Incorrect delivery
 - Incorrect place of unloading,
 - Delivery meant for another customer,
 - Incorrect goods supplied.

2 TRANSPORT AND DOCUMENTS

To identify each shipment, the supplier or its carrier will hand over the documents listed below.

2.1 TRANSIT DOCUMENTS

Standard transport documents according to the type of transport – CMR list, packing list, etc.

2.2 DELIVERY NOTE

- Each shipment must be accompanied by a delivery note. CZUB reserves the right to refuse a shipment without DL.
- The delivery note is placed on the outside of the package (in a self-adhesive bag, or in a eurofolder) so that it is accessible without the packaging unit having to be unpacked before receiving the goods. It must be secured in such a way that it is not damaged by weather conditions and that it is not lost.
- Each pallet packaging unit is labeled SEE TERTIARY PACKAGING. If the delivery note is common to several pallets, their number is indicated in the delivery note. Each of these pallets is marked with a serial number from the total number (e.g. 1/5 for the first pallet out of a total of five).
- The delivery note must contain the following information in particular
 - Sender's adress
 - Addressee's adress – CZUB (location and place of unloading)
 - Delivery note number (including machine-readable code – CODE 128)
 - CZUB Purchase order number
 - Total quantity delivered
 - Quantity and type of packaging units
 - Supplier Part Number
 - CZUB Part Number (Nomenclature) as per the Purchase Order,
 - Batch Number and expiration date where applicable,
 - State of change of delivered material, revision state and change index,
 - Quantity and type of delivered returnable packaging units (KLTs and pallets typically),
 - RMA number in case of quality claim.

2.3 CUSTOMS DOCUMENTS

The supplier prepares all the documents needed for customs clearance (invoice, certificate of origin, document of preferential origin, delivery note etc.).

2.4 UNLOADING IN CZUB

Supplier need to observe specific rules when delivering material to CZUB both in case of own means of delivery and in case of a contracted delivery. It is required that any incoming vehicles are registered in Time Slot reservation system where appropriate delivery window shall be booked (URL: <https://czub.timeslotcontrol.com>). Without registration, no vehicle may enter the CZUB premises.

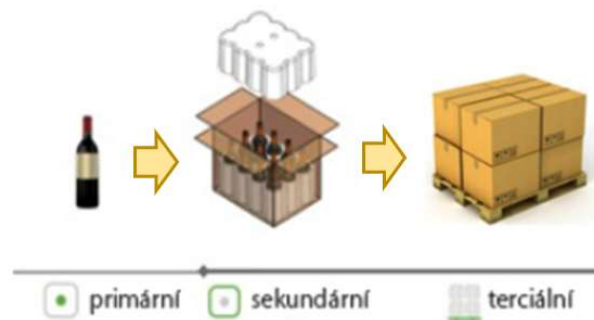
Both upon arrival and departure, every vehicle is checked by the security at the gatehouse.

3 PACKAGING SPECIFICATION

3.1 PACKAGING UNIT LEVELS

Pro účely tohoto předpisu specifikujeme níže uvedené úrovně balení:

- **Primary (consumer) packaging**, which consists of the immediate packaging around the delivered item, most often either a plastic bag or a box, in which the ordered item is located.
- **Secondary (handling) packaging**, which consists of bulk packaging for primary packaging, most often cardboard boxes, crates, wooden crates, etc. (in some cases, secondary packaging is not used. In this case, primary packaging takes over its requirements).
- **Tertiary (transport) packaging (palletized)**, which consists most often of a pallet or crate and a collection of secondary packages. In some cases, the supply of the given item may consist only of tertiary packaging. In this case, it takes over the marking duty from lower units - see below.



3.2 MARKING OF INDIVIDUAL PACKAGING ACCORDING TO LEVELS

Each packaging unit must be marked according to the level with information according to the following table (mandatory fields marked with x).

Required information	Primary packaging	Secondary packaging	Tertiary packaging	Delivery Note
Delivery Note number			x	x
Purchase Order number		x		x
Quantity and type of tertiary packaging units				x
Tertiary Packaging Unit number			x	
Part Number according to Purchase Order, Supplier Part Number, CZUB Part number	x	x		x
Quantity of Parts	x	x		x
Batch number, Expiration Date, Change Index	x			x

General marking requirements:

- a label with data according to the table above. Recommended label size 100x50 or 100 x 75 mm,
- all old / outdated labels or descriptions must be removed from the packaging units,
- fixing labels on returnable packaging (especially crates) must be easily removable, leaving no residue of labels, tapes, glue, etc. Sticking any product labels on returnable packaging is prohibited. It is recommended to use non-adhesive paper labels of 210 x 70 mm fixed in the label holder on the sides of the crates and secured with a 30 mm diameter adhesive point.
- the packaging of the packaging units of specific items (see paragraph 1.5) must be clearly marked:
 - a safety or warning pictogram/label for safe handling (fragile, do not knock, do not stack, etc.),
 - warning symbols according to the CLP regulation for hazardous substances (flammable, hazardous to the environment, high hazard to health, etc.),
 - safety signs according to the ADR directive (flammable liquids, corrosive substances, substances threatening the environment, etc.), IATA-DGR, etc.,
 - and others.

3.3 PRIMARY PACKAGING

The primary packaging is handled by hand and must be adapted to this.

The supplier must comply with the packaging quantity of the primary packaging, if it is specified by the CZUB order or contract (if the primary packaging is not applied, it applies analogously to the secondary packaging):

Usual weight up to 10 kg.

Each item's primary packaging (bag, box, crate, etc.) must be marked with the CZUB item number (or supplier number) under which it was ordered, in such a way that it matches the shipping documentation (delivery note) - see previous paragraph .

3.4 SECONDARY PACKAGING

The secondary packaging is usually handled by hand or using simple handling devices (carts) and must be adapted to this.

The maximum weight of the secondary packaging unit is 20 kg, the recommended maximum weight is 15 kg.

The secondary packaging material must ensure safe, rigid and cohesive stacking on the tertiary packaging unit (pallet).

Accepted floor plan dimensions of secondary packaging units (if secondary packaging is not applied, it applies analogously to primary packaging):

- Returnable packaging – 600x400, 400x300 and 300x200 mm.
- Non-returnable packaging
 - 800 x 600 mm,
 - 600 x 400 mm,
 - 400 x 400 mm,
 - 400 x 300 mm,
 - 300 x 200 mm,
 - 200 x 150 mm.

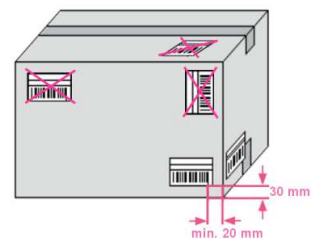
Maximum acceptable height of the package is 400 mm.

Each secondary unit should contain only one delivery/order item unless it is not meaningful (mainly due to the small dimensions of the parts compared to the dimensions of the packing unit). In such a case, the individual items inside the secondary packaging must be wrapped and marked in the primary packaging. Labels of all the inside-wrapped delivery items in the primary packaging must be affixed to the packaging of the secondary packaging.

If the primary item is supplied in multiple secondary packages, each secondary package must contain the same number of units in the same secondary packages. If it is a package with a non-standard number of pieces (usually the last package), this fact is highlighted on the label.

Marking of secondary packaging:

- place the label of the secondary packaging 30 mm from the base of the packaging (cardboard boxes; flaps upwards - see picture) and at least 20 mm from the vertical edge. Place the label on the side/front of the box so that it is visible when stored on the tertiary unit (pallet), primarily from its shorter side.



3.5 TERTIARY PACKAGING

Tertiary (transport) packaging is handled in warehouses, production and internal transport using handling trucks (NZV, VZV, retrak, VNA), for which it must be adapted.

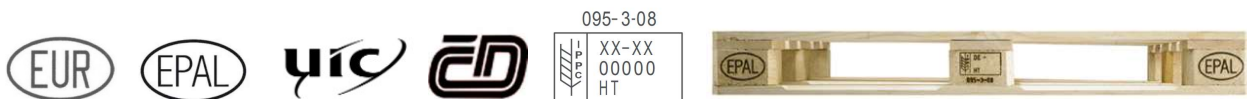
The only permitted tertiary packaging is the EUR pallet (800 x 1200 mm). In justified cases, the following packages will be permitted (see paragraph 1.4):

- CP pallets for fluids / chemicals (typically 1200x1200 mm),
- MARS crates (1200 x 800 mm or 800 x 600 mm) for cooperation of heavy parts,
- Wooden crates for metallurgical material.

3.5.1 EUR PALLETS

Euro pallets must be manufactured in accordance with ČSN 26 9110 and UIC 435-2 standards and marked:

- on the outermost blocks with one of the key characters:
 - at least one right-hand block with the EUR symbol and one left-hand block with the symbol of the railway carrier (most often UIC, ČD, DB, OBB...),
 - or on both blocks with the symbol of the pallet organization EPAL,
- the manufacturer's identifier and the heat treatment mark on the middle log based on the ISPM 15 international standard - see paragraph 1.4.



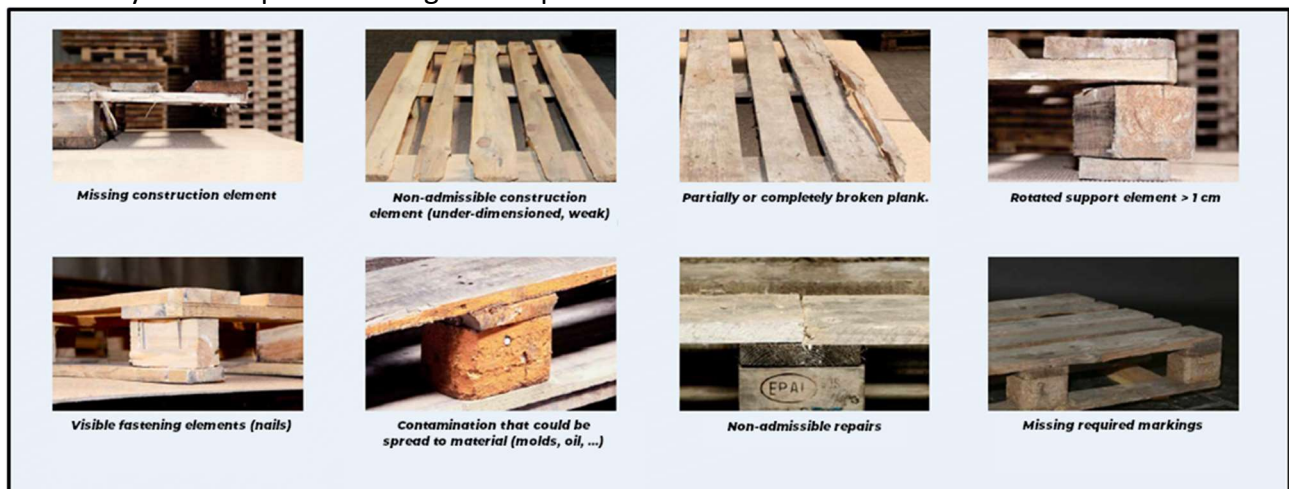
Not acceptable pallets are as follows:

- plastic pallets,
- 2-way pallets,
- „C-class“ pallets – see further below-

CZUB only accepts new EUR pallets, class A or class B. EUR pallets of class C, which are not accepted, are identifiable by:

- wood moisture higher than 22%,
- turned logs,
- remnants of glued cardboard, foil, tape, labels, etc.,
- illegible prescribed key markings (EPAL, UIC, EUR, ČD, ...),
- protruding chips/chips caused by the use of pallets,
- exposed nail shafts.

Absolutely not acceptable damage to EU pallet:



Damaged pallets will be claimed in accordance with paragraph 1.7. Complaints in logistics.

Maximum pallet weight:

- Ammunition 1400 kg,
- Other goods 1000 kg.

Maximum pallet height (including the pallet itself):

- Purchased material - 1500 mm,
- Ammunition - 1250 mm,
- Packaging:
 - with a floor plan not exceeding a EUR pallet – max. 2150 mm (2400 mm after prior approval by CZUB),
 - with a floor plan exceeding the EUR pallet – max. 1,250 mm.

The secondary/primary packaging must **not extend beyond the edges of the tertiary packaging unit (pallet).**

The tertiary (pallet) packaging unit must be protected from the adverse effects of weather conditions (mainly against rain, snow, dust, etc.) by wrapping it with stretch film, including the upper surface of the packaged unit.

Secure the packaging unit sufficiently to prevent the secondary/primary packaging units from shifting, collapsing or spilling during handling. If the handling units on the pallet are not stable, use paper edges to reinforce them. Only plastic (polyester, PP or PET) binding tapes for fixing the tertiary packaging are allowed. The use of metal bands is not allowed, with the exception of banding of metallurgical material (bundles of bars and pipes). When delivering plastic crates on a pallet, the topmost layer must form one plane and be covered with a plastic lid and fixed with plastic binding tape.

Tertiary packaging marking:

- see paragraph 3.2.
- the label must be placed on the shorter side of the package (800 mm), at a height of 400-800 mm from the base (bottom of the pallet), min. 50 mm from the vertical edge of the tertiary packaging.

3.6 METALLURGICAL MATERIAL PACKAGING SPECIFICS

The supplier must follow the FIFO methodology when delivering to CZUB:

- delivers the entire melt in one shipment, or lot,
- or gradually supplies one melt/batch of the item until it is completely consumed before starting to supply a new melt.

The conditions listed below may be specified by TPP if they conflict or require clarification (see paragraph 1.4.).

During transport, the individual packages must be stored in such a way that the required flatness is not violated:

- the base prisms must be of the same height - preferably 10x10cm in cross-section,

- Store packages that do not match in shape separately, or up,
- fixation of the packaging during transport (most often with the help of courting straps) must be in the places of the underlying prisms, not between them,
- supplier, or its transporter must ensure that the package is unloaded from the side of the car using a frontal VZV - not from the front of the car or from above using a crane. In case of non-compliance with this requirement, CZUB reserves the right to refuse delivery.

Identification of the packaging:

- each package will be provided with a label, in the case of parcels, a stick suspended from the end of each package (ideally at both ends), which must be securely fixed to the package (preferably with a binding wire to a binding tape; taping the label to the material is not sufficient, as is inserting " wire mesh" into the package), in the case of packages or blanks, each packaging unit (pallet, box...) is provided with a label,
- the durability of the label, as well as its fixation, must withstand the outdoor environment for at least 2 years (we recommend PVC labels).

Label content specification:

- The supplier shall mark the following information on the label:
- on the designation of the manufacturer, supplier,
- material quality, material standard,
- melting number, heat treatment batch number,
- the identification number used in CZUB (our nomenclature),
- by size
- the weight of the bundle,
- permissible additional material marking,
- color marking of the rod material on one of its ends (identical ends in the package) according to standard standards (e.g. ČSN, EN, DIN, etc.),
- longitudinal or surface printing of identification data on the material,
- about embossing or flashing identification data on the face of the material.



3.6.1 STEEL MATERIAL

BAR MATERIAL

it is allowed to deliver (see paragraph 3.5) to CZUB in:

- MARS crates – applies to drawn materials up to a diameter of 15 mm inclusive,
- in wooden crates – rods up to 15 mm in diameter,
- in loose packaging in bundles - from a rod diameter of 15 mm and above.

Packaging and storage and fixing specifications during transport:

- max. package weight 2,500 kg,
- the difference in the lengths of the rods in one bundle must not be greater than 0.5 m,
- limit dimensions of the package:
- width 400 mm,
- height 300 mm,
- strapping:
- by means of binding wire, steel or suitable binding tape,
- strap 0.5 m from the edge of the package, then at a maximum spacing of 1.5 meters along the length of the package bundle (six-meter poles should be strapped at least 4 times),

ROLLS, STRIPS, CUT-OUTS

The materials are supplied in a preserved state or without preservation according to the customer's request.

Packaging specifications

- material packed on wooden pallets, the dimensions of the pallets are determined by the width and length of the stacked material,
- taped with metal or plastic tape,
- if necessary, fixed with paper or foil against movement during handling,
- can be provided with paper or plastic packaging.
- the height of the pallet prism is usually 100 mm, in the case of the prism itself min. 60x80mm.

Palletization



Complete foil wrapping



3.6.2 NON-FERROUS METALS

BAR MATERIAL

Packaging is provided on wooden floors with prisms min. 60x80mm. The materials are supplied without preservation.

All types of packaging are marked with a label to easily identify the material, see the attached images.

Package Specifications:

- limit dimensions of the package:
 - width 400 mm,
 - height 400 mm,
 - 3-6m long including packaging,
- foiled, with corrugated cardboard,
- packaging provided with top and side wooden boards,
- taped with metal or plastic tape,



CROSS SECTIONS

Up to a weight of 30 kg packed in paper boxes or paper cardboard sealed with tape. Over 30 kg packed on a wooden pallet, on it wrapped in cardboard or foil, strapped with metal or plastic tape.



Celkové zabalení papírovou lepenkou, páskování



4 PACKAGING MATERIAL ACCORDING TO ITS REPEATABILITY OF USE

4.1 NON-RETURNABLE (DISPOSABLE) PACKAGING

The price of non-returnable packaging, sent by the supplier, is calculated in the price of the products that are delivered in them - the cost of their procurement is borne by the supplier. The material of the non-returnable packaging must be of one type to simplify sorting. Emphasis is placed on ecological (recyclable) types of materials - see section 1.4. Non-returnable packaging is sorted at CZUB after unpacking and ecologically disposed of or recycled.

4.2 RETURNABLE (REUSABLE) PACKAGING

Design of returnable packaging:

- for crates, the proposal is submitted by CZUB. CZUB can request a proposal from the supplier for internal organizers - folders. The permitted floor plan dimensions of returnable crates are 600x400 x 400x300 mm (see paragraph 3.4),
- for other returnable packaging, the supplier submits,

- easy cleaning of returnable packaging must be taken into account during design, incl. organizers/prologers.

The supplier/CZUB is obliged to keep the packaging in appropriate conditions to avoid damage, pollution and to protect it against misuse or theft. Both parties are liable for any soiled, lost or destroyed return packaging. In case of loss or damage of the crate/folder, CZUB/supplier can supply the same or similar crate/folder as a replacement after mutual agreement.

Cleanliness of return packaging. Returnable packaging (crates, inserts/organizers) must be free of all mechanical impurities (chips, etc.). Any contamination with oil, grease, etc. due to conservation to the level of "pollution" in which the CZUB is returned to the supplier is considered normal packaging contamination and will not be subject to rejection (complaint) upon acceptance by the supplier or customer.

Damaged or heavily soiled return packaging is not accepted by CZUB. If damaged or heavily soiled returnable packaging is delivered to CZUB/the supplier, the recipient will take photo documentation and inform the responsible person on the supplier's/CZUB's side, who will ensure their replacement, repair (cleaning) and/or adjustment of the packaging account.

Records of returnable packaging:

- without records – returnable packaging (typically EUR pallets) are included in the delivery price – paid for by CZUB,
- simple exchange – when unloading returnable packaging at CZUB, the same type and number of empty returnable packaging (typically EUR pallets) is handed over to the supplier or its transporter. This ensures a zero balance without the need to maintain a packaging account.
- managing the packaging account of returnable packaging - see below.
- The method of recording returnable packaging will be agreed with the supplier and enshrined in the framework contract or TPP.

4.2.1 PACKAGING ACCOUNT

An agreement on the use of returnable packaging will be concluded with each business partner, a separate packaging account will be established for each packaging. Before introducing a packaging account, the manufacturer, type and dimensions of the crates, liners and their price must be mutually agreed upon, in case of financial compensation in the event of loss or damage.

CZUB maintains a packaging account for all returnable packaging in IS SAP,

- returnable packaging is recorded through delivery notes. Each delivery note must contain information on the number and type of packaging delivered - see paragraph 2.2. The returnable packaging delivery note can form a separate document or the list of delivered returnable packaging can be part of the delivery note for the delivered items,
- at the end of each quarter (4 times a year), IS SAP generates and sends the status of the packaging account to the supplier by email to perform a system check of the status of the packaging account. If the supplier does not apply for a claim within 14 days after receiving the registration document from CZUB, it is considered that he has agreed to the stated number of returnable packaging,

- at the end of each year or if necessary, a systematic and physical inventory of the state of the packaging account is carried out. Its date is always set well in advance.

4.2.2 RETURNABLE PACKAGING IN THE PROPERTY OF CZUB

CZUB strives to supply returnable packaging to its suppliers for deliveries to CZUB, but not to ensure the needs of its internal supplier logistics.

Returnable packaging - crates will be marked with a special laminated self-adhesive label for easy identification of crates in CZUB's internal logistics. The supplier must deliver items to CZUB only in CZUB crates marked as such.

After the end of the contract/order, the supplier returns the returnable packaging to CZUB within 14 days so that the packaging account is ideally reset to zero.

4.2.3 RETURNABLE PACKAGING IN SUPPLIER'S PROPERTY

It is not recommended to mark returnable packaging with the supplier's logo or label, CZUB is unable to guarantee the ongoing return of returnable packaging that is the property of the supplier (the same packaging and organizer/container will be returned). CZUB has the right to require the marking of the supplier's returnable crates with a special laminated self-adhesive label - see paragraph 4.2.2.

