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I. Introduction

Sysco’s Mission

To market and deliver great products to our customers with exceptional service.

Vision

To be our customers’ most valued and trusted business partner.

A History of Innovation

Sysco was founded in 1969 and became a public company in 1970 based on the premise that the foodservice industry was ripe for a more expansive distribution system that combined national reach with local service. Since its inception, Sysco has continued to innovate by developing its own strong brands, adopting technology to improve supply and delivery systems, and initiating business practices that create strong customer loyalty.

Redistribution Network Philosophy

The Sysco Redistribution Network was created to streamline our Supply Chain by further rationalizing transportation lanes, reducing inventory, and adding operational efficiencies into our Operating Companies.

Adoption into the Redistribution Network is dependent upon agreement to comply with the requirements outlined in this document as they enforce the efficiencies critical for operating the Redistribution Supply Chain. These guidelines lay the groundwork for an enhanced, mutually beneficial partnership with a select supplier community.

The purpose of this manual is to communicate Sysco’s policies, processes and expectations as they relate to redistribution. Sysco considers the communication and understanding of our compliance requirements for the redistribution network a critical element in the success of our relationships. Suppliers not adhering to the requirements explained and documented herein will be subject to a penalty fee associated with the infraction.
Pre-Requisites for Entry into the Redistribution Network

Suppliers must complete the following pre-requisites as well as adhere to Sysco’s operational and compliance requirements in order to be considered for adoption into the Redistribution Network.

SMS Corporate Billing Requirements

As a pre-requisite to becoming a Redistributed Supplier, the Supplier must be compliant with SMS Corporate Billing requirements. Contact your Sysco Business Center Representative for more information.

Contractual Membership with iTrade Network (RDC supplier ONLY)

An RDC Supplier must be a signed member of the iTrade Network and have the ability to receive and send required documents electronically. iTrade Network and Data Services–eSupplier Solutions will assist you in meeting Sysco’s specification requirements. All required fields must be returned on all inbound documents. An RDC Supplier must also have the ability to receive EDI 850 purchase orders, generate multiple EDI 855 confirmations and EDI 810 invoices. For more information regarding traditional trading document requirements contact the e-Supplier Solutions Department as noted in Section VIII.

RDC Costing (RDC supplier ONLY)

A Supplier must reach agreement with Sysco on the Supplier Adoption Savings and costing structure to be applied through the RDC. For more information regarding RDC costing requirements contact the Supply Chain Services Department as noted in Section VIII.

Additional Prerequisites

The following additional documents are required, by the Supplier, prior to entry into the redistribution network for each supply point:

1. Request For Data (RFD) – Required attributes for items distributed through the Redistribution Network.
2. Recall Documentation – Supplier’s recall procedures
3. Example of Non-Sysco Branded Case Labels with Lot/Date Code Formatting and Breakdown – A description of how Sysco Operations would read the lot and date codes on a Supplier’s case.
4. CHEP Global Identification (GLID) Number – The CHEP assigned numbers permit the RDC to track, send, and receive pallets efficiently. Each ship point has a unique reporting designation. [RDC suppliers ONLY]
5. Supplier Contact Information – Listing of Supplier contact names for designated business areas.
II. Data Management

GTIN Requirements

- Sysco requires a GTIN barcode on all cases that are shipped to any Sysco or SYGMA warehouse facility in the USA or Canada. This includes Sysco brands, proprietary customer brands, and Supplier branded items.
- Sysco only accepts ITF-14 (Interleaved 2 of 5) or UCC/EAN-128 symbology.
- All outer shippers must be bar-coded on at least two sides which can be adjacent or opposite with a GS1 compliant GTIN. Four-sided barcodes will continue to be Sysco’s optimal desire.
- The supplier is required to send notification 30 days prior to any new GTIN changes. The notification should be sent via email to Data Services – Master Data Management as noted in Section VIII.
- Reference Appendix II A for additional information pertaining to requirements on GTIN’s.

Data Integrity

- Data drives Sysco’s operational and transportation efficiencies for the Redistribution Network. It is imperative that data provided by the Supplier be validated systematically and physically. Reference Appendix II B to ensure data complies with Sysco’s business requirements.

Packaging Change Notification

- The Supplier is required to send notification 30 days prior to any new configurations/packaging changes shipped to any redistribution facility which affects length, width, height, TI or HI. This notification should be sent via email to suppliercompliance@corp.sysco.com.
- Case dimensions for a single SKU must remain constant by ship point. No variable case dimensions such as length, width, height, TI or HI will be accepted.

III. Replenishment

Service Level Requirements

The Sysco Service Level requirement is defined as the fulfillment of a purchase order without substitutions. The following requirements are necessary to ensure that Sysco is able to maintain its service level commitments to customers:

- All purchase orders placed within the specified days for processing should adhere to 100% fill rate. Days for processing will be provided by the Supplier or a negotiated value between Sysco and the Supplier.
- It is standard procedure for all Sysco managed freight short shipments to incur freight charge backs. It is required that the Supplier notify the Supply Planner through email communication of any occurrence of product shortage within 48 hours prior to pick-up date as well as transmitting electronically via 855 confirmations.
- Any shortages that will impact service levels: The supplier will be responsible for shipping product from any supplier ship point at the supplier’s expense to Sysco facilities in need
of product. This includes overnight shipments to Sysco facilities or end customers as necessary.

- Any shortages where the product is unavailable nationwide: The supplier must provide the explanation for the shortage on company letterhead at the time of order confirmation. This letter must be sent to the Supply Planner and will be used to communicate to our Operating Companies and end customers.
- The supplier is required to complete the form below and email it to their Supply Planner when product shortages occur:

<table>
<thead>
<tr>
<th>Purchase Order</th>
<th>MPC</th>
<th>SUPC</th>
<th>Order Qty</th>
<th>Ship Qty</th>
<th>Short Qty</th>
<th>Date Available</th>
<th>Reason</th>
<th>Possible Substitute SUPC</th>
<th>Is the product available anywhere in the United States from another Supplier Facility?</th>
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</tbody>
</table>

**Purchase Order Process**

- A purchase order must not be split over multiple shipments; whether by truck, rail, container, or a combination of any.
- Multiple purchase orders are acceptable on a single truck, rail car, or container.
- The Supplier must ensure that the correct purchase orders are loaded on the designated truck, railcar, or container. The carrier is responsible for comparing the Bill of Lading with the load tender/dispatch to make sure the correct purchase is picked up. Sysco will coordinate with the Supplier for return of product. In the event the product is returned for quality issues, it is the responsibility of the Supplier to pick up the product either from the RDC/Forward Warehouse or an Operating Company.

**Backorders / Substitutions**

- Backorders and substitutions are not accepted.
- A Supplier must notify their designated Supply Planner regarding fulfillment of previously unavailable product.

**Product Day to Processing (Lead Time)**

- The Supplier is required to have all products ready within the agreed timeframe for processing an order for each adopted location.
- The Supplier must notify the designated Supply Planner at least 30 days prior to any changes in lead time.
Ship Point Change Notification

The Supplier must notify the Corporate SMS Department, Supply Planner, and the Supply Chain Manager no less than 60 days prior to transitioning to a new facility. Supplier will need to ship at their own cost to Sysco if fail to meet the 60-day requirement.

Minimum Product Shelf Life

Guaranteed Redistributed Shelf Life (GSL) is the amount of life left on a product at the time of receipt at the redistribution facility. Products purchased by the redistribution facility are required to have 80% or more of manufacturer's shelf life remaining at the time of receipt.

Due to the nature of certain products, some items will not allow for 80% shelf life at the time of receipt. In these situations, shelf life will be negotiated by Sysco and the Supplier prior to entry into the redistribution network.

Example for calculating Guaranteed Redistributed Shelf Life: A product with 365 days of Manufactured Shelf Life should have 292 days of Guaranteed Redistributed Shelf Life left at the time of receipt (365 X 80% = 292).

Order Exceptions

Order exceptions refer to situations when the flow of the order is altered due to extenuating circumstances. Examples include, but are not limited to; constrained product, return or recall of a defective product, direct shipments to Operating Companies, drop shipments, etc.

Suppliers must comply with the following requirements:

Direct Shipments to Operating Companies

- Specified shipping date or shipping windows must be adhered to.
- Shipments must have exact quantity ordered. Backorders, overages, shortages, or substitutions will not be accepted.

Drop Shipments to Customers

- Specified shipping date or shipping windows must be adhered to.
- Shipments must have exact quantity ordered. Backorders, overages, shortages, or substitutions will not be accepted.
- Shipments of multiple purchase orders must not be consolidated in a single shipping container.
IV. Transportation

Freight Terms

Sysco’s freight terms for products purchased by the redistribution facility are FOB Shipper’s Dock, Shipper’s Load, Count and Seal.

Shipper’s Load, Count, and Seal

Suppliers are required to:

- Load the correct item and case quantity.
- Ensure all loaded cases are in good condition.
- Secure the load to minimize shifting and maintain case integrity.
- Ship with sufficient shelf life as agreed to by Sysco and the Supplier.
- Seal all trucks prior to the truck leaving the supplier’s shipping facilities. Notate seal information on the Bill of Lading.
- All refrigerated or frozen trucks, rail cars are required to have a Temperature Tracking Recorder. Contact the Quality Assurance team noted in section VIII concerning TTR Requirements. *TTR specifications can be found under Additional Corporate Requirements in Appendix VII A.
- In the event that a truck arrives at a Supplier’s facility sealed, the Supplier must record the seal number that will be broken and record the new seal number on the Bill of Lading.

It is not the carrier’s responsibility to seal the load or complete any other Supplier responsibilities as noted above.

Bill Of Lading

- A Bill of Lading (BOL) is required to accompany every shipment complying with the U. S. Department of Transportation regulations.
- Reference Appendix V A for additional information pertaining to Bill of Lading requirements.

Carrier Appointment Requirements

Pick-up Appointments at Supplier’s Facility

- Carriers will only use Sysco purchase order numbers to make appointments for RDC/forward warehouse loads. Carriers will not have ability to use any other confirmation, release, or Supplier order number to set up appointments.
- Carriers must provide release numbers if required by their shipping facility to their transportation planner.
Delivery Appointments at a Sysco redistribution Facility

- Freight being delivered to the RDC Facility is only done on an exception basis.
- All delivery appointments to RDC must be approved by RDC.
- Appointment requests must be completed by email 72 hours prior to the delivery date. Reference Section VIII for the appointment request email address.

Detention at Supplier’s Dock

- Loading time is not to exceed two hours.
- A detention charge will be assessed if the Supplier’s ship point exceeds the allotted loading time of two hours.
- After the two hours allowable loading time, a fee of $60/hour, chargeable in 1 minute increments will be assessed. In the event that a carrier arrives late for a scheduled appointment, all detention charges will be automatically waived.
- Suppliers requiring additional loading time on a regular basis may request a Drop Trailer program provided that the supplier meets established volume requirements and receives approval by Sysco.
- Detention charges may apply for Drop Trailers in the event the carrier does not have access to pick up the trailer or if the trailer is not loaded at the designated appointment time.
- Reference Appendix V C for information pertaining to detention time verification process.

Rail or Intermodal Shipments

- All railcars and intermodal shipments are to be loaded according to published loading guidelines found under Appendix V D.
- All railcars are to be inspected by the Supplier’s shipping facility prior to loading to ensure they are clean with no holes and/or strong odors.
- The Supplier is required to include a placard which indicates the side of the rail car to be used for unloading. This is usually the same side the Supplier uses to load.
- Once the car is loaded, a copy of the Bill of Lading must be faxed to the appropriate RDC. Contact information can be found in Section VIII.
- The Supplier is responsible for loading and bracing railcars/intermodal units.
- All dunnage used to brace railcars/intermodal units en route to the RDC will be at the Supplier’s expense.
- Supplier is required to email Supply Planner boxcar# when PO ships.
- Supplier is required to provide detailed feedback to the Supply Planner if the boxcar will not ship on the requested date.
V. Operations

Pallet Specifications (RDC Suppliers ONLY)

- Sysco requires that all Suppliers ship product on CHEP pallets. CHEP pallets maintain durability required for redistribution while simultaneously providing value throughout the supply chain.
- Suppliers requesting to ship on a platform other than CHEP must go through an approval process prior to entry into the RDC Network. All Non-CHEP pallets will be considered one way disposable pallets. Suppliers will incur a per pallet fee for labor and replacement.
- Suppliers are responsible for ensuring all CHEP pallets shipped into the RDC Network meet Sysco’s pallet quality standards.
- Reference Appendix VI A for additional pallet and slip sheet spec information.

Pallet Composition

- All pallets should correspond to the TI/HI values provided by the Supplier.
- There should be no product overhang on the pallet.
- Case labels should face outwards to easily identify the product.
- Lot controlled items may have a maximum of two lot/expiration dates per pallet.
- All SKUs on a purchase order in quantities of one layer or greater should be placed on their own pallet.
- Individual SKUs ordered in less than tier/layer quantity may be mixed on a pallet with other less than tier/layer SKUs.

Load Quality

- All loads must be secured and stabilized.
- Stretch wrap must cover all cases and extend halfway down the pallet, securing all cases to the pallet itself.
- Corner boards may be incorporated to eliminate crushing product when stacking pallets.
- Multiple stacked pallets may be stretch wrapped together to reduce load shifting.
- For RDC loads; Glue or Tape must not be used to stabilize cases since it interferes with Sysco’s de-palletizing equipment.
- Lighter products should be placed on top of heavier products.
- All dunnage used to brace shipments will be at the Supplier’s expense.
- To prevent puncturing, it is strongly suggested that slip sheets be placed between bagged food items and the pallet.
- All product shipped must be sanitary, damage free and properly secured. This includes product packaged within the case. Failure to comply will result in an OS&D claim.
VI. Claims

Disposition Process for Insufficient Shelf Life & Mis-Shipped Product

- A disposition request will be initiated by Sysco.
- Response with disposition and a return authorization number must be provided within 24 hours of receipt of notification from Sysco.

The options for disposition of product with insufficient shelf life are limited to the following:

- Pickup of the product (Return authorization number is required with this request for disposition and product must be picked up in a 2 week timeframe) by the Supplier.
- Authorization for destruction of product. Sysco reserves the right to recoup the cost of destruction for large quantities of product or product that requires special processes and/or equipment.
- Authorization to donate product to an organization/entity of Sysco’s choice.

Overages, Shortages, and Damages (OS&D) Notification

- Sysco will contact Suppliers within one calendar week of receipt regarding overage, shortage, or damage claims.

The following description of Sysco’s OS&D procedure provides a brief overview of the procedure and what Suppliers can expect when there is an OS&D claim.

1. Sysco will receive product utilizing the Bill of Lading.
2. If OS&D is confirmed, Sysco will initiate an OS&D claim. The RDC/Forward Warehouse Receiver will photograph and document any damages for claim processing.
3. Sysco Transportation will make an assessment of the cause of damage, notify the responsible party, and complete the OS&D report.
4. Follow-up on OS&D will be completed by Sysco. Expectations are:
   - Overages – Accounts Payable or Transportation will call Supplier/Broker to confirm the overage and Sysco will either agree to buy or may initiate a Return Authorization.
   - Shortage – Accounts Payable or Transportation will call Supplier/Broker for authorization to deduct or will file a claim against the carrier. In the event of a shortage, the Supplier will expedite delivery of product at Supplier's expense.
   - Damages – Accounts Payable or Transportation informs Supplier/Broker and Carrier of damaged product and requests an authorization for Sysco to file claim along with disposition instructions.
VII. Quality Assurance

Case Labeling

- Non-Sysco Branded Items: For identification purposes, Sysco requests that all non-Sysco branded products comply with FDA/USDA/FSIS Food Product labeling requirements.
- Sysco Branded Product: For identification purposes, Sysco branded product must contain the Sysco logo, Product Description, Product Number, Product Name, Net Weight, Count/Size and Storage & Handling, and GTIN Barcode in addition to any FDA/USDA/FSIS Food Product labeling requirements. Contact the Sysco Logix3 helpdesk at sysco@logix3.com or 1-877-430-5793 for additional information.

TTR Requirements

Sysco is firmly committed to providing safe, wholesome, and high quality products for all of its customers. Accordingly, Sysco will require specific Suppliers to employ continuous temperature monitoring devices on vehicles transporting specified refrigerated and frozen products including:

- Ready-to-eat Seafood items that are not transported in ice or other cooling media, when the transportation time exceeds four hours;
- Refrigerated Sourced Raw Ground Beef products,
- Refrigerated Sourced Ready To Eat Deli Meats,
- Refrigerated Sysco Branded Controlled Vacuum Packaged Poultry Products,

Reference Appendix VIII A for additional information pertaining to TTR requirements.

Product Recall

In the event of a recall initiated by the Supplier, Sysco Corporate Quality Assurance formally requests a copy of any recall notification that your company forwards to any affected Sysco operating company or any of its subsidiaries. This information should contain the Sysco Operating Companies and items involved in the recall.


VIII. Contact Information

For questions regarding the requirements in the Sysco Supplier Compliance Manual, please contact the following:

**Sysco Northeast Redistribution Center**  
1000 Baugh Drive – Front Royal, Virginia 22630  
Phone: 540-631-2300  
Operations Fax: 540-631-2304  
Transportation Fax: 540-631-2307  
Delivery Appointment Email: RDCschedVA@corp.sysco.com

**Sysco South Redistribution Center**  
12421 NW 173rd Street – Alachua, Florida 32615  
Phone: 386-418-8500  
Operations Fax 844-764-1649  
Transportation Fax: 844-764-1646  
Delivery Appointment Email: RDCschedFL@corp.sysco.com

**SMS Corporate Billing – Supplier Conversions**  
Fax: 281-584-5000  
000-BSCCCorpBillingDept@corp.sysco.com

**Data Services – Master Data Management**  
Fax: 855-774-4358  
000-MDMTeam@corp.sysco.com

**Data Services – eSupplier Solutions**  
Fax: 855-774-4358  
000-ESS-GROUP@corp.sysco.com

**National Inbound Transportation Center NITC**  
Fax: 281-584-2521  
000-NITCPlanners@corp.sysco.com

**Supply Chain Services**  
Fax: 281-584-5000  
000-SupplyChainServices@corp.sysco.com

**Supply Chain Operations**  
Fax: 281-752-2119  
SupplierCompliance@corp.sysco.com

**Sysco Corporate Office**  
Phone: 281-584-1390  
www.Sysco.com
Sysco Quality Assurance Contacts
Sysco Quality Assurance:
Fax: 281-584-1240
RegulatoryCommunications@corp.sysco.com

CHEP
Phone: 1-800-243-7255
Baugh NE GLID: 4000086757
Baugh South GLID: 4000147375
CHEPNewEmitterSales@CHEP.com

Forward Warehouse:

LINEAGE LOGISTICS
4000 W. MILITARY - TX 78503
Email: freezeergroup@loopcoldstorage.com

OHL-FOND DU LAC
122 KOHLMAN RD, PO BOX 1535 – WI, 54937
Jeanne Halfmann
Phone: 920-907-9230
Email: jhalfmann@ohl.com
Fax: 920-907-9280

OHL-KENT
20607 59TH Place South – WA 98032
Jose Guerrero
Phone: 206-327-2592
Email: jguerrero1@OHL.com

OHL-MIRA LOMA
3285 Deforest Circle – CA 91752
Email: sysco_ontario@ohl.com
Fax: 951-685-1164

OHL-PASADENA
4331 Underwood - Ste. 200 – TX 77507
Veronica Meza
Phone: 832-261-3011
Email: vmeza@ohl.com
Fax: 281-474-3387

OHL-ROMEOVILLE, IL
1101 TAYLOR ROAD – IL 60446
Email: romeovillesysco@ohl.com

PREFERRED WHSE-CHICAGO COOLER
4464 W. 44TH STREET – IL 60632
Phone: 708-514-3373
Fax: 773-254-9501
PREFERRED WHSE-CHICAGO FROZEN
2500 S DAMEN AVENUE – IL 60608
Phone: 773-847-1800
Email: a4orders@pfsl.com

PREFERRED WHSE-JACKSONVILLE
1780 WEST BEAVER STREET- FL 32209
Phone: 904-301-1400
Email: b6ship@preferredfreezer.com or b6rec@preferredfreezer.com

PREFERRED WHSE-LBF
4901 Bandini Blvd – CA 90058
Phone: 323-263-8811
Email: a9orders@preferredfreezer.com

PREFERRED WHSE-RAYNHAM
571 PARAMOUNT DRIVE_ MA 02767
Kim Thomas
Phone: 508-977-0333
Email: kthomas@preferredfreezer.com

PREFERRED WHSE-SAN LEANDRO
400 POLAR WAY- CA 94577
Email: c7shipping@preferredfreezer.com or c7receiving@preferredfreezer.com
Phone: 510-352-3900
Fax: 510-352-3902

PREFERRED WHSE-VERNON
3200 E. WASHINGTON BLVD – CA 90023
Phone: 323-261-4500
Email: b5orders@preferredfreezer.com

SIERRA PACIFIC
340 SOUTH FIRST ST – CA 95363
Chris Murphy
Phone: 209-534-1704
Email: patterson@spwg.com

US COLD STORAGE-MINOOKA
601 TWIN RAIL DRIVE – IL 60447
Phone: 815-290-4431
Email: syscominooka@uscold.com
Appendices

Data

Appendix II A: Sysco Barcode Requirements

Note to the Supplier:

Sysco requires a GTIN barcode on all cases that are shipped to any Sysco or SYGMA warehouse facility in the USA or Canada. This includes Sysco branded product, proprietary customer brands and supplier branded items. The following points outline Sysco’s barcode specifications.

What is a GTIN barcode?

As referenced in GS1’s website www.gs1us.org, the Global Trade Item Number (GTIN) is the foundation of the GS1 System (formerly the EAN.UCC System) for uniquely identifying trade items, which include both products and services that are sold, delivered, and invoiced at any point in the supply chain.

GTIN Barcode Symbology

Sysco only accepts ITF-14 (Interleaved 2 of 5) or UCC/EAN-128 symbology. Below is the detailed explanation to decipher between the two barcodes as notated in GS1’s web page.

ITF-14 (Interleaved 2 of 5)

As referenced in GS1’s website www.gs1us.org, ITF-14 is the GS1 System implementation of an Interleaved 2 of 5 barcode that encodes the Global Trade Item Number® (GTIN®) used for standard logistic units such as cartons, cases, and pallets. Trade items marked with ITF-14 symbols are not intended to pass through retail point-of-sale (POS).

ITF-14 symbology is typically used for direct printing on corrugate based on the barcode’s simple construction, and the lower reflectance of corrugated materials. The lines at the top and the bottom of the barcode are called "bearer bars" and are used to prevent something called a "short scan." The bearer bars disrupt the scan and ensure that only complete scans will return a valid barcode read. The use of this symbology supports fast and accurate tracking of inventory, adding visibility to your value chain.

UCC/EAN-128

As referenced in GS1’s website www.gs1us.org, GS1-128 (UCC/EAN-128) barcodes are used to encode trade item data for logistics units such as cartons, cases, pallets, and returnable assets that are not intended to pass through retail point-of-sale (POS). The use of this symbology supports fast and accurate tracking of inventory, adding visibility to your value chain.

Specific information can also be encoded in GS1-128 barcodes to add security and sustainability to your value chain. Best Purchased, Before Date, Batch/Lot Number, Serial Number, and the GS1 System’s Serial Shipping Container Code (SSCC) are examples of the data that can be encoded in a GS1-128 barcode.
The combination of unique identification and standardized data content make GS1-128 barcodes invaluable for sharing rich data content between trading partners across wide sectors in the value chain, bringing retailers, healthcare providers, manufacturers, and logistic service providers together to collaborate and improve the value chain.

**GTIN Barcoding Placement**

- All outer shippers must be bar-coded on at least two sides (adjacent or opposite) with a GS1 compliant GTIN (Global Trade Item Number).
- Partial print boxes utilizing labels or jet printing and marking of barcodes require barcodes on two adjacent or opposite sides of the case.
- Total print boxes with no labeling or marking require barcodes printed on all four sides with bearer bars.
- Four-sided barcodes will continue to be Sysco’s optimal desire.

**GTIN Barcoding Specs**

- Sysco requires a unique GTIN when there have been changes to a formulation, a pack and/or size.
- GTIN barcodes must be tested with using a verifier to validate manufacturers’ symbols meet the level of quality set forth by the general GS1 specifications.
- GTIN barcodes must attain a grade C or higher when verified.
- GTIN barcodes must be printed to accepted specifications (i.e. size, color, etc).
- All barcodes on the same package (case or unit) must be identical. For Sysco Brand products, the Sysco assigned GTIN must be encoded in the barcode, not the supplier’s GTIN.
- Variable weight product requires the UCC/EAN-128 barcode symbology. The correct indicator required for variable weight product is “9”. The appropriate AI (Application Identifier) to encode the case weight is required. All AIs must be enclosed in parentheses in human readable form. The parentheses are not encoded in the barcode symbol.

**UPC Barcoding**

- All inner packages intended for resale must be bar-coded on at least one side with a UPC. This requirement applies to any interior product that Sysco’s distribution facility could split for resale if they choose. Excluded from this requirement are those items that cannot be split (i.e. bulk pack, assortment, one inner unit only) and those for which regulatory requirements prohibit splitting, such as certain chemical products. The barcode symbol to use in this instance is the UPC-A. The GTIN-12 (12-digit UPC) is composed of:
  - Supplier’s GS1 Company Prefix
  - Supplier’s Item Reference Number
- Bags, tubs, and pails are considered units of product. The UPC-A barcode is required.

Sysco’s specifications are based on input from our supplier community including GS1 US, IFDA’s EFR Standard Product Identification Committee, and barcode printing equipment companies regarding the marking of barcodes on total print boxes and partial print boxes including interior primary packaging.
For specifications related to size, placement and magnification of the barcode, please contact GS1 US at info@gs1us.org or by phone at 937-435-3870. For suppliers in Canada, please contact GS1 Canada at info@gs1ca.org or by phone at 416-510-8039.

For further assistance, contact Data Services – Master Data Management at 281-758-7270. Questions related specifically to Sysco brand product packaging should be directed to Logix3 helpdesk at sysco@logix3.com or 1-877-430-5793.

**Example of ITF–14 (Interleave 2 of 5) barcode**

ITF-14 symbol with bearer bars on the top and bottom of the symbol, commonly used for general purpose inkjet and thermal transfer printing.

ITF-14 symbol with bearer bars on all four sides of the symbol, commonly used for printing utilizing

**Note:**
- ITF-14 = The GS1 system’s only use of Interleaved 2 of 5. It is only used to encode the GTIN
- Any of the GTIN data structures may be used, as long as they are expressed as 14-digits

**Example of UCC/EAN–128 barcode with application identifier 01**

- When GS1-128 symbology is used to encode a GTIN, the Application Identifier of (01) is required and precedes the GTIN
- Ability to string together (concatenate) multiple fields (Here, the GTIN plus Sell By/Expiration Date, Batch or Lot Number, and Serial Number)
### Appendix II B: Sysco Data Validation Rules

<table>
<thead>
<tr>
<th>Business Rule</th>
<th>Description</th>
<th>Formula for Calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overhang - extends over pallet</td>
<td>The calculated surface area of the pallet must be less than 2,100 square inches.</td>
<td>Shipping TI x Case Length x Case Width</td>
</tr>
<tr>
<td>Surface Area coverage too low</td>
<td>The calculated surface area of the pallet must be greater than 1,250 square inches.</td>
<td>Shipping TI x Case Length x Case Width</td>
</tr>
<tr>
<td>Pallet Height</td>
<td>The calculated pallet height must be no greater than 110 inches for dry shipments or no greater than 100 inches for cooler/frozen shipments. For any temperature zone, the total pallet height must be greater than 35 inches. Pallet and liftoff height is considered when performing this check.</td>
<td>Shipping Hi x Case Height + 9 (pallet + liftoff)</td>
</tr>
<tr>
<td>Gross and Net Weight</td>
<td>Gross weight must always be larger than Net Weight.</td>
<td>N/A</td>
</tr>
<tr>
<td>Storage Zone and Temperature</td>
<td>Storage zone (Dry, Cooler, Frozen) must correspond to appropriate minimum and maximum temperature.</td>
<td>N/A</td>
</tr>
<tr>
<td>Guaranteed Shelf Life</td>
<td>Product must contain a minimum of 80% of manufacture’s shelf life at time of receipt.</td>
<td>N/A</td>
</tr>
</tbody>
</table>
Transportation

Appendix V A: Bill of Lading (BOL) Data Requirements

The Bill of Lading serves as the basic contract of carriage between the shipper and all connecting Carriers, as a receipt for the goods, and as indicator of ownership of the goods. The Bill of Lading is the basic transportation contract between the Shipper-Consignor and the Carrier; its terms and conditions bind the shipper and all connecting Carriers. Additionally, the Bill of Lading is a necessary element of a claimant's prima facie case in a court action, although it does not necessarily prove the cargo’s good condition at origin.

The following data is required by USDOT to be included on the BOL:

- Supplier Name
- Supplier Address
- Consignee Name
- Consignee Address
- Special Instructions
- Freight Charge Type (Pre-Paid or Collect)
- Number of Packages
- Description of Articles, Packages, Markings, and/or Exceptions
- Weight
- Shipper Signature
- Time and Date Tendered
- Carrier Name
- Driver Name and Signature
- Country of Origin for Imported Products (COOL)

Sysco also requires the following information be provided on the BOL:

- Sysco Purchase Order Number
- Supplier’s Sysco Customer Number
- Supplier’s Sales Order Number that relates to the Sysco Purchase Order Number
- Ship Date
- Estimated Time of Arrival
- Bill of Lading Number
- Seal Number
- Product Code
- Quantity Shipped per Item and Total
- Weight per Item and Total (Net Weight for Catch Weight Items)
- Pallet Count
- Load Temp (Maintain at)
- Lot Number
- Load Number (Supplier’s unique Load Number Identifier)

Logon to the Voluntary Interindustry Commerce Solutions (V.I.C.S.) website at http://www.vics.org to see a standard Bill of Lading form. For more information regarding
Bill of Lading requirements see https://www.transportation.gov/ or by contacting Sysco’s National Inbound Transportation Center noted in Section VIII.

Appendix V B: Country of Origin Labeling Requirements

Effective September 30, 2008, covered commodities sold by retailers will have to comply with the rule in 7 CFR, Part 65. A copy of this rule can be reviewed at http://www.ams.usda.gov/AMSv1.0/getfile?dDocName=STELPRDC5070926.

- Country of Origin, as described in the above referenced rule, must be declared on ALL affected products that your company supplies to any Sysco company. Country of Origin must be legible, conspicuous, and must appear on the master case as well as any interior packages if the interior package is labeled for retail sale. The Country of Origin declaration must meet the appropriate requirements as stated in the proposed regulation. (Please note, existing requirement for “wild” or “farmed” designation of Seafood items is still in effect.)

- All inbound Bills of Lading and invoices accompanying the affected commodities must identify, by line item, the Country of Origin. At the very least, if you cannot provide the Country of Origin information on both invoice and Bill of Lading, it must appear on the Bill of Lading. (Please note existing requirements for “wild” or “farmed” designation for Seafood items are still in effect.)

Ensure that all affected products your company ships from 9/30/08 forward are marked in accordance with the direction provided above. In addition, information/paperwork accompanying the load must be compliant as described. Be advised that products in the affected categories that do not exhibit proper labeling or paperwork by the effective date may be rejected.

The final interim rule provides much detail about products exempt from the rule. Note that the Redistribution Centers request compliance on items covered by the rule.

An explanation of the exempted products can be found at: http://www.ams.usda.gov/AMSv1.0/getfile?dDocName=STELPRDC5071922

The full rule can be found at: http://www.ams.usda.gov/AMSv1.0/getfile?dDocName=STELPRDC5070926
Appendix V C: Detention Verification Process

Detention Incurred at Supplier Facility – Sysco National Inbound Transportation (NITC) Time Verification Process

In the event a carrier is detained at a supplier facility while loading, the carrier will open a detention event with NITC requesting payment for time detained.

The following processes will be adhered to when detention occurs:
- Sysco will send via email or fax a request to the supplier asking for validation of the detention incurred by our carrier.
- A confirmation of the appointment, arrival and departure times should be returned to Sysco within 2 business days.
- If the supplier does not respond within the 2 business days, the carrier will be paid the detention charges as requested.
- Any detention costs approved by the supplier, or supplier non-responsive requests will be recovered from the supplier via a deduction.

Appendix V D: Sysco Railcar/Intermodal Guidelines

Damage free shipping starts with proper loading. It is important that Suppliers take the necessary steps to ensure damage free products arrive at our various Sysco locations. A load should have the proper weight distribution and adequate blocking and bracing to prevent the shifting during transit. The following steps & principles must be followed by all Sysco Suppliers to assure quality goods, free of damage, arrive at our Operating Companies and customers.

Proper Packaging: The following is information from Sysco’s general requirements for canned Suppliers and is based on industry normal conditions:

- **Can Strength:** Can strength must be sufficient throughout the entire transportation process. Deviations from can strength must be communicated and agreed upon with Sysco Quality Assurance.
- **Base Box:** 6/#10 can body should be constructed with base weight steel of 103#. The ends should be made of steel with a base weight of 107# or 112#.
- **Temper:** 6/#10 cans should be constructed with T5 metal for the body and ends.
- **Metal Tinplate:** 6/#10 cans for low acid food should have .10/.20 body tinplate and TFS (Tin Free Steel) ends. 6/#10 cans for high acid foods should have .50/.20 body tinplate and .75/.20 end tinplate. (Note: for information on minimum Edge Crush Test (ECT) see rule 41 of the Uniform Freight Classification 6000-M on the last 2 pages of this document).

Selection and Preparation of Railcars/Intermodal Units- Personnel must inspect all cars before loading to ensure that every car is in suitable condition to safely transport a load to its destination.

Railroad should furnish a car suitable for loading a customer’s product. Shipper should inspect cars to determine if the car meets requirements (reject it or properly prepare it). If the shipper does not reject a car, it becomes the responsibility of the shipper to properly prepare the car for loading:
- Sweep floors
- Remove any exposed nails or protrusions and straps in wall anchors
- Make sure bulkhead doors are in good working order

**Reasons to Reject:**

- Leaky roof
- Wall or floor problems (if light enters the cars, so can moisture, air and dust)
- End wall bowed 3+ inches
- Defective doors
- Any item that cannot be repaired by carrier or their contractor

**General Loading Principles:** Load must be secured in a manner to prevent it from shifting either crosswise or lengthwise during transport where it could affect safe weight distribution and cause damage to the loaded product. It is imperative that the load is uniformly distributed.

- It is paramount to ensure the load is tight crosswise and lengthwise in the car
- Do not load damaged products
- Load cases together that combine well into a bonded pattern
- Load cases of similar characteristics together
- Use separators and dividers as necessary
- Lading shall be properly distributed, secured and blocked, and in compliance with the AAR Intermodal Loading Guide for Products in Closed Trailers and Containers, and the AAR Mechanical Section 7 Rules Governing the Loading of Commodities on Open Top Trailers/Containers To Be Handled in Trailers/Container-On-Flat-Car (TOFC/COFC) Service. It is not intended that closed trailers or containers be opened for interior inspection of loads unless the trailer or container has not been properly loaded.
- Loading of equipment shall be in compliance with the AAR Intermodal Committee Loading Capabilities Guide, available on the AAR website (www.aar.org).

*Above Figure-Can Goods Loaded Two High*
Unitizing is the process of assembling cargo into a standardized or compact unit for ease of handling by mechanical equipment. Unitization makes the loading and unloading process easier and helps prevent damage & theft.

When using shrink/stretch-wrapping:

- Load in a bonded block pattern when practical
- Maintain vertical alignment of shipping containers
- Ensure all layers of the unit are wrapped
- Have wrap encircle the pallet base

Load units in a straight line lengthwise in car to ensure face-to-face unit alignment. Use drop in void fillers for crosswise void fillers

**Lengthwise Void Fillers**

- Void fillers are used to prevent side to side shifting of cargo in a railcars, intermodal units, containers or truck shipments.
- Lengthwise void fillers should be used to withstand a load of 1,500 lbs/sq ft.
- Should not exceed 8” in any one area.
- Plan fillers should be approximately the same size as the unit.
- Do not reuse the filler if it has been damaged and can no longer fill the intended void.
Slip Sheeted Units

- Match the slip sheet strength to the weight of the load
- Tape or secure slip sheets to prevent damage
- Double slip sheet doorway units to facilitate unloading from either door, with slip sheet flaps out on both sides of the pallet in order to aid unloading at either door

Palletized Units

Quantity of an item, packaged or unpackaged, which is arranged on a pallet in a specified manner and securely strapped, shrink wrapped or fastened so that the whole is handled as a unit. When using shrink wrap, make sure the pallet is wrapped around in full or at least 2” to prevent the cases from sliding off the pallet.

- Pallets should be in good condition and of sufficient strength for handling products
- Pallets should be free of defects, exposed nails and/or broken boards
- Palletized units must provide unit to unit contact
- The use of four way pallets in doorways is recommended
Note: Pre-Pallet Inspection

1. No broken or missing stringers
2. No protruding nails; all nails must be flush or below the level coming in contact with all the cases

**Bracing The Load**- Disposable inflatable dunnage (Air Bags) utilized at Supplier expense

- Can be used to fill lengthwise voids of 4 to 10 inches- after inflation 12 inches
- Inflate from 5 to 6 PSI
- Use an air gauge to insure proper pressure
- For double layer loads, use bags that are vertically or horizontally adjacent to each other
- Place dunnage bags 1” off the floor
- Add buffer sheets to protect the bag

When air bags are placed between void panels to prevent in route airbag displacement, apply double sided tape or spray adhesive to the panel. Hold down tape can also be used over the top of the panel and the top of the bag. Extend buffer material/panels slightly above the load. Airbags should not extend beyond the top of the load.
Minimum Loading Standards for Packaged Food Products in Closed Cars and TOFC/COFC

Doorway Protection

- Doorway protection is required when using sliding door box cars
- Doorway protection is not required when using a plug door box car

Corrugated Cases

- Make sure all cases comply with the AAR regulations which cover the Uniform Freight Classification 6000m as seen below
- Ensure all cases meet the box specification minimums requirement to include minimum bursting test and minimum Edge Crush Test (ECT) requirements
### UNIFORM FREIGHT CLASSIFICATION 6000-M

#### RULE | SUBJECT | APPLICATION
--- | --- | ---

**SECTION 1.** (a) APPLICATION OF RATES. Subject to the provisions of Rule 5, and unless otherwise provided in the separate descriptions of articles, or in Agent C.L. Keller's Tariff No. BOE-6000-series referred to in Rule 30, the rates applying on articles "in boxes" will apply on the same articles in corrugated or solid fibreboard boxes complying with the minimum requirements of this rule.

(b) INCREASED CHARGES - NON-CONFORMING BOXES. Unless otherwise provided in the separate descriptions of articles, when articles are tendered for transportation in fibreboard boxes and the requirements and specifications of this rule are not fully complied with, freight charges will be increased 20% AQ (any quantity) and 10% CL above the charges applicable on such shipments in boxes that do conform to the provisions of this rule.

(c) USE OF OTHER THAN RULE 41 BOXES. Where the separate descriptions of articles provide for the use of fibreboard boxes which are different from those provided for in this rule, such provisions will also apply to those articles in such boxes when commodity tariffs or exceptions to the Classification provide that such articles may be shipped "in boxes" without further qualifications as to the construction of the boxes.

#### FIBREBOARD

**SECTION 2.**

(a) CORRUGATED FIBREBOARD. Fibreboard boxes must be made of singlewall, doublewall or triplewall corrugated fibreboard having proper bending qualities, the facings being firmly glued to the corrugated medium at all points of contact and the outer facing having water resistance.

(b) SOLID FIBREBOARD. Fibreboard boxes must be made of 3-ply or more solid fibreboard having proper bending qualities, all plies being firmly glued together and outer ply being water resistant, except when maximum weight of box and contents does not exceed 40 pounds, boxes may be made of two ply solid fibreboard.

#### BOX SPECIFICATIONS

**SECTION 3.** MAXIMUM SIZE AND WEIGHT - MINIMUM REQUIREMENTS. Boxes must comply with the burst, puncture or edge crush test and other requirements shown below. (See Note 4).

<table>
<thead>
<tr>
<th>Maximum Weight of Box and Contents (lbs)</th>
<th>Maximum Outside Dimensions (Length, Width and Depth Added) (inches) (See Note 3)</th>
<th>Minimum Combined Weight of Facings, Including Center Facing(s) of Doublewall and Triplewall Board (lbs per 1,000 sq ft) (See Note 2)</th>
<th>Minimum Bursting Test, Singlewall, Doublewall or Solid Fibreboard (psig) (See Note 1, Para. (a))</th>
<th>Minimum Edge Crush Test (ECT) (lbf per inch width) (See Note 1, Para. (c) and Note 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>20</td>
<td>40</td>
<td>62</td>
<td>125</td>
<td>23</td>
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<td>138</td>
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</tr>
<tr>
<td>120</td>
<td>105</td>
<td>190</td>
<td>350</td>
<td>55</td>
</tr>
</tbody>
</table>

**SINGLEWALL CORRUGATED FIBREBOARD BOXES**

| 60 | 85 | 92 | 200 | 42 |
| 100 | 95 | 110 | 275 | 48 |
| 120 | 105 | 126 | 350 | 51 |
| 140 | 110 | 189 | 400 | 61 |
| 160 | 115 | 222 | 500 | 71 |
| 180 | 120 | 270 | 600 | 82 |

**DOUBLWALL CORRUGATED FIBREBOARD BOXES**

| 240 | 110 | 168 | 700 | 67 |
| 260 | 115 | 222 | 900 | 80 |
| 280 | 120 | 264 | 1100 | 90 |
| 300 | 125 | 360 | 1300 | 112 |

**TRIPLEWALL CORRUGATED FIBREBOARD BOXES**

| 20 | 40 | 114 | 125 | ... |
| 40 | 60 | 149 | 175 | ... |
| 65 | 75 | 190 | 200 | ... |
| 90 | 90 | 237 | 275 | ... |
| 120 | 100 | 283 | 350 | ... |

(Rule 41, Section 3 continued on next page)
If you have any questions regarding Railcar/Intermodal Loading Guidelines, contact Sysco’s National Inbound Transportation Center.
OPERATIONS

Appendix VI A: Pallet/Slip Sheet Criteria

CHEP Pallet 48x40 Block Pallet Inspection Criteria

**TOP DECK REJECT IF:**
- Broken across width
- Full length > 1/4" (1 glued finger)
- Unsecured deck boards

**BOTTOM DECK REJECT IF:**
- Broken across width
- Glued Joint with < 3 Nails
- Bottom Board Missing > 1/2 of Width
- Unsecured deck boards

**BLOCKS/CONNECTOR BOARDS REJECT IF:**
- Missing > 1/2 block
- Connector board broken across width
- Twisted block > 1/2
- Horizontal Split (Block moves)

**FOLLOWING CONDITIONS MUST BE REMOVED FROM THE PALLETS:**

1. CONTAMINATION due to product spillage, animal droppings, or sticky substances
2. ALL PROTRUDING NAILS on the top and bottom deck
3. ALL SHINERS which stick outside the perimeter of the pallet
4. ALL EXPOSED NAILS in the top and bottom deck lead boards (hammer down)
5. ANY TWISTED BLOCK which protrudes outside the perimeter of the pallet
6. ALL DEBRIS (shrink wrap, cardboard, slip sheets, stickers, staples, tape, etc.)
7. ANY LOOSE MATERIAL (gravel, dirt, debri, etc.)
8. ANY LOOSE OR SPUNTERED WOOD which can be removed by hand with minimal effort
**Whitewood 48x40 Pallet Criteria**

Upon Sysco approval white wood may be used. If approved the white wood specifications must meet the following minimum guidelines:

- 40” x 48” Grade A Hardwood GMA Pallet
- 63% Top Deck Coverage
- 47% Bottom Deck Coverage
- 2,194 lb. Payload
- Partial 4-Way Entry
QUALITY ASSURANCE

Appendix VIII A: Sysco Quality Assurance TTR Requirements for Suppliers

INTRODUCTION

Sysco is firmly committed to providing safe, wholesome, and high quality products for all of its customers. Accordingly, SMS Inc., a wholly owned subsidiary of Sysco and its Operating Companies will require specific Suppliers to employ continuous temperature monitoring devices on vehicles transporting specified refrigerated and frozen products including:

- Ready-to-eat seafood items that are not transported in ice or other cooling media, where the transportation time exceeds four hours;
- Refrigerated Sourced raw Ground Beef products,
- Refrigerated Sourced Ready To Eat Deli Meats,
- Refrigerated Sysco Branded Controlled Vacuum Packaged Poultry Products,
- Refrigerated Produce Loads, and Frozen Fruits, potatoes and vegetables

READY TO EAT (RTE) REFRIGERATED SEAFOOD

The Sysco Operating Company must inform the Suppliers of RTE refrigerated seafood items that are not transported in ice or other cooling media of Sysco’s requirement to include time/temperature recorders on transport vehicles where the transport time exceeds four hours. In addition, the Sysco Merchandiser must confirm with the Supplier, the type of TTR to be utilized and ensure that the operating company has the software required to download the information from the TTR.

- Supplier will comply with the request to place a TTR on each vehicle where the transit time will exceed four hours.
- The TTR utilized will provide a printout confirming the air temperature of the vehicle throughout transit.
- Sysco Operating Companies will provide instructions for placement of the TTRs on shipment vehicles.
- Sysco Operating Companies will inform Suppliers of consequences for non-compliance.

FRESH GROUND BEEF, CVP POULTRY, PRODUCE & FROZEN COMMODITIES

Sysco QA will inform the Suppliers of refrigerated Ground Beef, CVP Poultry, Produce, and/or Frozen commodities of Sysco’s requirement to include time/temperature recorders on specified transport vehicles as defined in the Master Specification requirements. Sysco QA will confirm with the Supplier(s) of sourced commodities the following:

- Supplier will comply with the request to place a TTR on each vehicle per the placement instructions.
- The TTR will comply with specifications developed by Sysco QA.
- The TTR utilized will provide a printout confirming the air temperature of the vehicle throughout transit.
- Sysco QA will inform Suppliers of consequences for non-compliance.
At the time of receipt, the readout from the TTR must indicate the product was not exposed to:

- Trailer air temperatures exceeding **Critical Limits** of 40°F or 45°F (dependent on refrigerated commodity).
  - RTE SEAFOOD, SHELLFISH, DAIRY & PRODUCE: > 40°F for a cumulative time of more than four hours total.
  - GROUND BEEF, POULTRY, PORK, BOXED BEEF: > 45°F for a continuous time of more than four hours total.
- That the ambient temperature did not exceed 70°F for more than one hour.
- That the ambient temperature was not less than the lower limit of 35 ºF for Produce or 25 ºF for Ground Beef or Fresh Poultry for cumulative time of more than four hours total.
Appendix VIII B. Recall documentation

 Sysco Recall Process

Sysco

Date

First_Name Last_Name
Supplier
Address
City, ST ZIP

Dear Sal Last_Name,

Product recalls have become an increasingly common reality in the food industry. The key to proper execution of a recall is communication. While the recalling firm’s primary responsibility relative to recall communications is to contact the consignees of potentially affected products, SYSCO Corporate Quality Assurance has an additional request that should be mutually beneficial to our firms and the recall effort in the event of a product recall.

In the event of a recall initiated by your firm, SYSCO Corporate Quality Assurance formally requests a copy of any recall notification that your company forwards to any affected SYSCO operating company or any of its subsidiaries. The information (operating company & item specific) attached should be ascertained and communicated to SYSCO Corporate Quality Assurance as soon as possible (preferably simultaneously with our operating companies receiving the information, but certainly as soon as possible thereafter.)

Please be advised, we are not asking your company to notify SYSCO Corporate in lieu of your responsibility to contact our operating companies. Instead, we are asking that you notify our corporate office in addition to notifying the SYSCO operating companies affected by any product recall.

The SYSCO Quality Assurance Department’s role is to reinforce your message to our operating companies so that the appropriate senior management at our companies is aware of the situation and is directing the companies to respond promptly and correctly. Thank you for your anticipated cooperation. Please feel free to contact me should you have any questions. I can be reached via phone: 281.584.1398, cell: 832.489.1799 or e-mail: linn.susan@corp.sysco.com.

Sincerely,

Susan Linn

Director, Quality Assurance
Phone: 281.584.1398
Cell: 832.489.1799
Fax: 281.584.1240

cc: C. Watson, M Mignogna
Sysco

Item/Product information needed for each Operating Company involved:

1. Item/Product(s) description
2. SUPC# (SYSCO 7-digit item number)
3. Identifying code date(s) (company specific)
4. Code date interpretation (how to read the code date & where it appears on the case)
5. Class of Recall/Withdrawal
6. Reason for Recall/Withdrawal
7. Depth of Recall/Withdrawal (i.e. distribution center, end-user customer, etc.)
8. Risk Assessment (explanation)
9. Was regulatory agency notified? Is so, name of agency (FDA, USDA, etc.)
10. Operating company name & primary contact
11. Number of affected cases, by item (SYSCO UPC), sent to each operating company
12. Specific Instructions (product hold, product disposition, depth of recall, completion and return of forms, etc.)
13. Supplier contact(s) name & phone number(s)
14. PO numbers
15. Has the affected product been distributed to any forwarding or third party warehouses that may also supply SYSCO? If yes, which warehouses?
Sysco Recall Fees

SYSCO Corporation Product Recall Fees & Charges As of November, 2012

In order to recoup Sysco’s administrative and physical handling costs associated with product recalls, or any other similar action whereby product is held or brought backwards through the system, due to quality or food safety / security reasons the following schedule of fees and charges will be instituted. Note that this policy covers both Sysco operating companies and any Sysco re-distribution centers that carry recalled products.

1) Operating Company Administrative Fee. There will be a charge to the supplier of $1,000** per operating company or re-distribution center involved in a product recall. This charge includes time/cost involved with receiving the withdrawal/recall, researching purchases, checking inventory, handling incoming shipments, running custom reports, notifying internal sales/warehousing and front desk personnel, coding and processing customer credits, completing government reporting, satisfying government effectiveness checks etc. The maximum Operating Company administrative fee that will be charged by Sysco for Operating Company Administrative Fees for any one incident is $10,000 regardless of the number of Operating Companies or re-distribution centers involved.

2) Customer Notification Fee. There will be a charge to the supplier of $25** per customer for every customer notified, even if the customer has no product to return or destroy. This fee covers, amongst other things, the establishment of the affected customer list, phone contact, faxes, and/or priority/registered mail costs.

3) Product Handling Fee. There will be a charge to the supplier of Sysco’s AP cost plus $7.50** per case for any product in inventory at the operating company or re-distribution center. If product is shipped back to the supplier, the supplier is responsible for the freight charges, inbound and outbound, associated with these returns.

4) Customer Returns/Credit Fees.
   a. Sysco will charge suppliers for product destroyed by customers based upon AP cost plus $7.50 per case handling fee.
   b. Any cases returned to the operating company will be subject to a charge of AP cost plus $15** per case Product Handling fee.

5) Dump/Disposal Fee. There will be a charge to the supplier for any costs associated with disposing of affected product. This would include but not be limited to costs such as rendering the product inedible, disposal fees for hazardous waste, taking the product to a landfill, obtaining extra onsite dumpsters, etc.

6) Special Handling Fees. There will be a charge to the supplier for any fees resulting from supplier or regulator decisions related to recall/withdrawal such as fees for longer term storage of product (> 2 weeks). A $60**/warehouse man hour charge will be assessed for product handling requested after routine business hours.

7) Miscellaneous Fees. It is possible that customers will use recalled product as an ingredient in a further processed product. In that case, a customer may request reimbursement for additional product affected by the recall, packaging costs, labor costs, and other associated costs. If these fees are reimbursed by Sysco, Sysco must seek reimbursement from the recalling firm for these costs.

**US Dollars