

# Kroger Manufacturing Trailer Seal Policy

Revised 09/03/10

## Inbound

### Supplier

After the product is loaded and the trailer doors are closed, the supplier (or shipping warehouse) is responsible for affixing a unique numbered trailer seal onto the trailer's back door latch. **The carrier is NOT allowed to apply this seal.**

The supplier is responsible for recording the seal number on the BOL (Bill of Lading).

Note: LTL (Less than Truck Load) freight is exempt from needing a seal affixed.

### Carrier

After the supplier (or shipping warehouse) has attached a unique numbered trailer seal to the trailer, the carrier is responsible for verifying that the trailer's door latch has a seal properly affixed.

If a seal must be broken for any reason (border crossing, weigh station, equipment problem, etc.) the carrier must note the time, date, location, seal number and reason for removal on the paper BOL. The carrier is also responsible for communicating this information immediately to his / her dispatcher.

As soon as practically possible, the carrier must reseal the trailer with a new seal or padlock (this seal is provided by the carrier). The carrier must record the new seal number, time, date, and location where the old seal was broken and where the new seal was applied on the paper BOL.

### Kroger Mfg. Plant or Plant Distribution Center

Security or Plant Personnel is responsible for verifying that the seal is intact and ensuring that the seal number matches the seal number recorded on the BOL. **The carrier must NOT break the seal.**

Copies of BOLs that identify the seal number for inbound shipments must be retained for a minimum of two years. Dairy Wash Tag records should be kept for a minimum of fifteen days.

**Intercompany loads should NOT be rejected to the carrier to return to the shipping Plant. The receiving Plant should handle the disposition of intercompany loads rejected due to no seal, broken seal, product quality, etc. pursuant to company policy.**

If an inbound carrier has multiple stop deliveries to Kroger entities, the Plant or Plant DC is responsible for affixing their own seal to the carrier's trailer upon

completion of unloading their portion of the load. The Plant or Plant DC will record the seal number on the BOL.

#### Trailer Receiving Procedures – Seals Flow Chart

If an inbound carrier arrives without the proper seal affixed, the Plant or Plant DC will inspect the trailer and its contents by utilizing the trailer seal decision-making process flow chart displayed on page 5 titled “**TRAILER RECEIVING PROCEDURES – SEALS.**” The flow chart is designed to provide guidance to the Plant to ensure that the final decision made regarding the inbound carrier is the best decision for The Kroger Co. without compromising security.

**This flow chart does NOT apply to bulk products (milk, oil, fructose, flour, etc.). If a seal is missing on ANY access point into a tanker or hose connection points on a bulk load, the load will be rejected and the carrier will be responsible.**

Inbound carriers with the proper seal affixed receive standard inspections upon receipt. When a seal is broken, missing, or does not match the seal number on the BOL, then the flow chart provides an investigative process that utilizes inspections with two increased levels of intensity to address security concerns. These two increased levels of inspection are identified as Level 1 Heightened Inspection (more stringent) and a Level 2 Heightened Inspection (most stringent).

Level 1 Heightened Inspection – A Level 1 Heightened Inspection concentrates on inspecting the trailer and the outer packaging surfaces of bulk containers and full pallets to identify evidence of tampering (pallet stretch wrap damaged/cut, drum seals missing or loose, case flaps loose or re-taped or re-glued, strange odor, unknown powder or liquids on product or trailer, and any other unusual conditions). If conditions look normal / typical, then proceed with normal receiving procedures.

If the Level 1 Heightened Inspection determines that conditions do **NOT** look normal / typical, then continue with a Level 2 Heightened Inspection.

Level 2 Heightened Inspection – A Level 2 Heightened Inspection goes above and beyond a Level 1 Heightened Inspection by requiring a detailed and intensified inspection of inner packaging such as individual cases, bags, drums, etc. This inspection requires breaking down and restacking a minimum of 4 randomly selected pallets from the nose, middle and rear of trailer; performing a more intense inspection for any unusual conditions noted in the Level 1 Heightened Inspection by focusing on individual cases, bags, drums, etc.

If the Level 2 Heightened Inspection determines that the Level 1 Heightened Inspection concern identified does not jeopardize the integrity of the product and conditions look normal / typical, then proceed with normal receiving procedures.

If conditions do **NOT** look normal / typical, the Plant will make the necessary decision regarding disposition and utilize G.O. Regulatory Compliance for consultation as needed.

#### Trailer Seal Incident Communication

When an incident occurs where an inbound carrier arrives without the proper seal affixed, the Plant or Plant DC will complete the incident report displayed on page 6 titled “**TRAILER SEAL INCIDENT REPORT.**” The purpose of the incident report is to document the details obtained from the investigative process, including inspection results, pertinent paperwork and questioning of the carrier.

Electronic copies of the trailer seal policy and the incident report are available on the Manufacturing Supply Chain website. When a Plant experiences an incident, they will fill out the incident report and email to Leslie Schepis at [leslie.Schepis@kroger.com](mailto:leslie.Schepis@kroger.com).

Example #1: A PO consisting of twelve pack carbonated beverage carriers arrives at a Beverage Plant. The Plant notices the seal # does not match the seal # on the BOL. According to the Trailer Receiving Procedures – Seals flow chart, the Plant must first ask some investigative questions. The carrier states that they were pulled over by the DOT on the way to the Plant and resealed the trailer in the officer’s presence. The carrier is able to show the DOT stop entry in his logbook and the DOT ticket with date, time and officer’s name. The carrier’s dispatcher is also able to verify the DOT stop.

The Plant performs a Level 1 Heightened Inspection. The inspection reveals that the shrink-wrap and pallet top covers on the pallets have not been cut, altered or removed. No unusual conditions, orders, powders or liquids are observed. After completing the inspection, questioning the carrier, reviewing the available paperwork and completing the Trailer Seal Incident report, the Plant makes the decision to proceed with its normal receiving procedures.

Example #2: A PO consisting of 55-gallon drums of liquid raw materials arrives at a Dairy. The Plant notices that there is no seal affixed. According to the Trailer Receiving Procedures – Seals flow chart, the Plant must first ask some investigative questions. The carrier states that when he was stopped by a State Trooper for speeding on the way to the Plant. He states the officer broke the seal. The driver cannot produce a ticket or warning, his logbook has no record of such event and the carrier’s dispatcher cannot confirm the stop. The Plant performs a Level 2 Heightened Inspection. The Plant discovers a broken drum seal and Plant rejects the PO. (When coordinating a disposition plan, the Plant should use consultation from G.O. Regulatory Compliance as needed.)

## Outbound

### Kroger Mfg. Plant or Plant Distribution Center

All staged loads for outbound delivery to another Plant, Distribution Center, or Store(s) need to be secured (padlocked or sealed) **EXCEPT** for those facilities that have a complete perimeter fence **AND** 24/7 guard service. Facilities that do **NOT** have a complete perimeter fence **AND** 24/7 guard service **MUST** secure all trailers immediately after loading.

The Plant or Security Personnel must verify and record that the correct seal number is properly affixed onto the trailer before it leaves the facility grounds. Copies of BOLs that identify the seal number for outbound shipments must be retained for a minimum of two years.

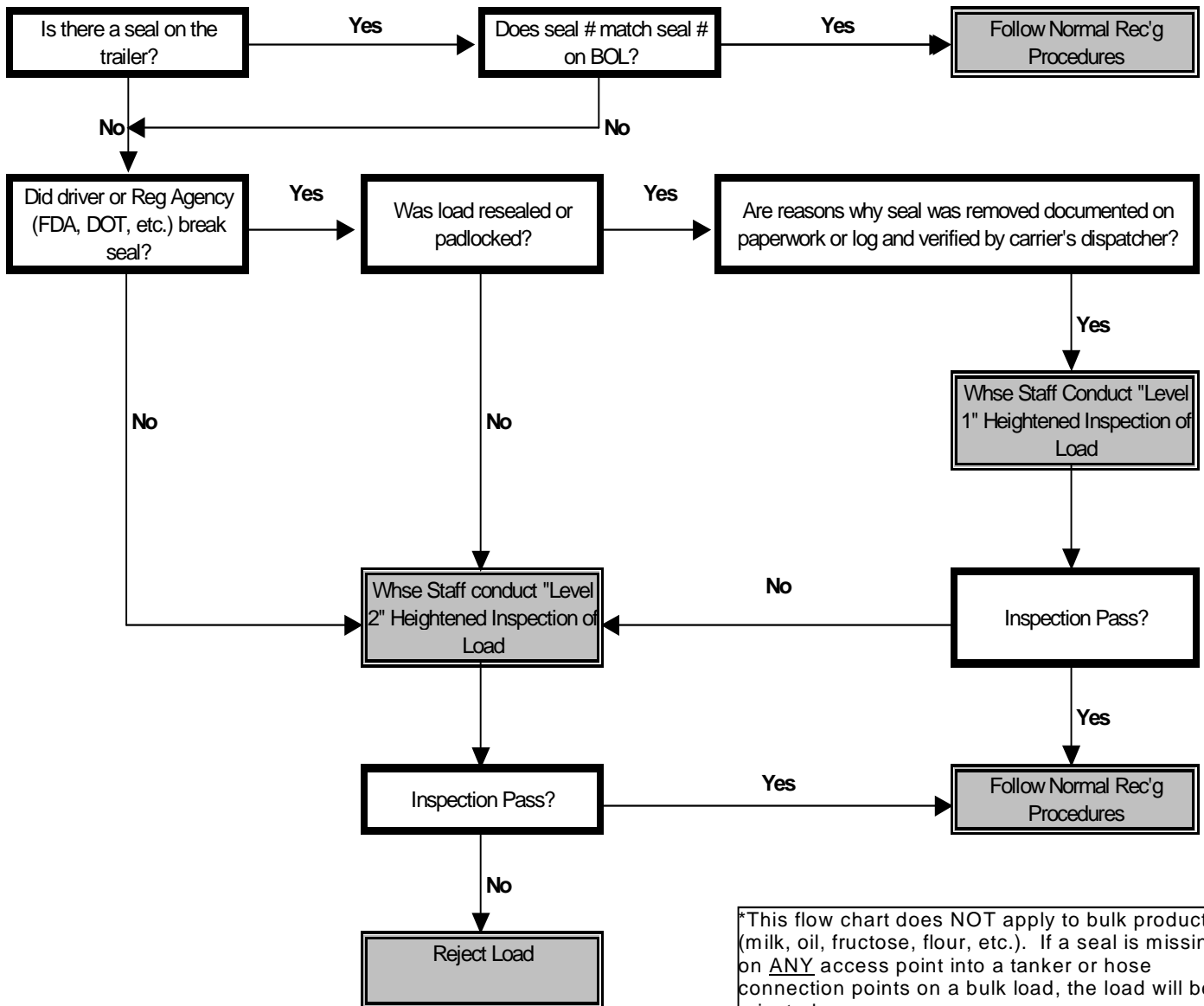
### Carrier

After the supplier (or shipping warehouse) has attached a unique numbered trailer seal to the trailer, the carrier is responsible for verifying that the trailer's door latch does have a seal properly affixed. If the trailer does not have the proper seal affixed, then the carrier should contact the supplier or shipping warehouse.

If a seal must be broken for any reason (border crossing, weigh station, equipment problem, etc.) the carrier must note the time, date, location, seal number and reason for removal on the paper BOL. The carrier is also responsible for communicating this information immediately to his / her dispatcher.

As soon as practically possible, the carrier must reseal the trailer with a new seal. The carrier provides this seal. The carrier must record the new seal number, time, date, and location of old seal break/new seal applied on the BOL.

## TRAILER RECEIVING PROCEDURES - SEALS



### Level 1 Heightened Inspection –

- Inspect full pallets for evidence of tampering (pallet stretch wrap damaged/cut, drum seals missing or loose, case flaps loose or re-taped or re-glued, strange odor, unknown powder or liquids on product or trailer, and any other unusual conditions.)
- If conditions look normal/typical Follow Normal Rec'g Procedures, if **NOT** continue with Level 2 Heightened Inspection.

### Level 2 Heightened Inspection – In addition to the steps for Level 1:

- Break down and restack a minimum of 4 randomly selected pallets (nose, middle, rear) looking for any unusual conditions noted above to individual cases, bags, drums, etc.
- If conditions look normal/typical Follow Normal Rec'g Procedures, if **NOT** report findings to G.O. Regulatory Compliance for consultation regarding disposition.

### Kroger Manufacturing

#### BULK SHIPMENT TRAILER SEAL INCIDENT REPORT

- 1. Date / Time of Arrival \_\_\_\_\_
- 2. Inspecting Plant \_\_\_\_\_
- 3. Inspection By (Name) \_\_\_\_\_
- 4. Trailer Number \_\_\_\_\_
- 5. Carrier Name \_\_\_\_\_
- 6. Driver Name \_\_\_\_\_
- 7. Shipper Name \_\_\_\_\_ Origin \_\_\_\_\_
- 8. PO # / Bill of Lading # \_\_\_\_\_
- 9. Seal / Lock Information (Broke, Missing or Not matching BOL, etc.) \_\_\_\_\_
- 10. Type of Product on Trailer \_\_\_\_\_

The following information must be recorded before contacting G.O. Regulatory Compliance.

Level 1 - Heightened Inspection Information:

	Product	Unusual Condition(s)	Location in Trailer
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____

Level 2 - Heightened Inspection Information:

	Product	Unusual Condition(s)	Location in Trailer
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____

Other pertinent information (i.e. driver statement, information and documentation provided):

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