

Supplier Charges Matrix



Remedy Charges

These deductions are made following the identification of a product quality issue, and are invoiced directly by Co-op. You will be given 30 days notice of the value due prior to the value being recovered. Any invoice disputes should be raised using Co-op Connect.

Description:	Scope:	What is it? (in plain English)	Associated costs:	Where to find out more:
Product Complaints	CO-OP BRAND GOODS	The handling of complaints received into Co-op Support Centre where there is an issue with a Co-op brand product reported by a customer and where there is clear evidence the issue is supplier driven.	£15 per complaint call handled	Raise your dispute using Co-op Connect. For any queries email supplierdisputeshelpdesk@coop.co.uk
Depot Quality Rejections	CO-OP BRAND GOODS	Quality control checks are carried out in our depots to ensure products are of the agreed standard. Products are checked against Quality Attribute Sheets (QAS), which are held on MyCore. Products are rejected from goods-in where tolerances fall below the agreed level.	£10 per case, min. £75 charge (£1000 max. charge per product per depot)	Brand Quality Control Guide
Recalls/Withdrawals	All suppliers	Removal of a product from distribution, stores and customers for legal and/or quality reasons where the product presents either a risk to health or safety of the customer (e.g. allergen risk, contamination, etc.), or is of poor quality. RECALL: Critical or Potential Critical Risk: Action to remove a product from distribution and stores and customers for legal and quality reasons where the product presents a risk to health and/or safety of customer. WITHDRAWAL: Legal or Legality or Quality: Action to remove a product from distribution and stores for legal or quality reasons but where the product does not present a risk to health and/or safety of customers.	<u>Fixed</u> QA (Own brand only) = £1000 Finance administration = £250 <u>Costs per store</u> Product recall = £12 Product Withdrawal = £8.50 <u>Costs per depot case</u> Warehouse handling = £0.60 Duty distribution = £1.96 Ambient distribution = £0.98 Chilled distribution = £1.00 Frozen distribution = £1.60	Recalls & Withdrawals Supplier Guide
Technical visits for non-conformance	CO-OP BRAND GOODS	Travel expenses associated with Technical site audits triggered by problem investigations.	UK Costs c.£250 - £500 per visit Europe C£500- £1000 per visit ROW c£1500 - £5000 per visit	Contact your relevant Technical Manager for further details

Logistics Charges

These deductions relate to the route to market arrangement that is part of your Supply Agreement. All of these charges are invoiced directly by Co-op, and you will be given 30 days notice of the cost due prior to the value being recovered. Any invoice disputes should be raised via the Co-op Connect.

Description:	Scope:	What is it? (in plain English)	Associated costs:	Where to find out more:
Channel Islands (Andover)	Supply into Channel Islands	Following an infrastructure project which saw the closure of the Channel Island depots in 2015, the logistics network started managing delivery of all Regional Distribution Centre products into Channel Island stores on behalf of suppliers. This cost was agreed to on an individual basis with suppliers to support this activity.	Agreed as part of supply agreement with your Buyer	GDL_CustomerAvailabilityRouteToMarket@co-operative.coop
National Distribution Centre (NDC)	Supply into NDC	It costs the Co-op more per case to ship from the NDC than it does via the regional centres. The NDC charge reflects the additional cost of this transport.		

Product Development Cost (Co-op Brand Goods)

These charges relate to the product development for Co-op brand goods only.

Description:	Scope	What is it? (in plain English)	Where to find out more:
Design, Artwork and Repro	CO-OP BRAND GOODS	Design, artwork and repro for the product packaging of Co-op brand goods associated with New Product Development, Existing Product Development and Co-op driven re-design are incorporated into the cost of goods agreed as part of the Supply agreement. Where the requirement for the amend is requested by the supplier and is outside of the Co-ops control these charges are invoiced directly by Co-op, and you will be given 30 days notice of the cost due prior to the value being recovered. Any invoice disputes should be raised using Co-op Connect. Where regulatory changes require an amendment outside of both the Co-ops and Supplier control Where possible these changes will be built into the product development and redesign programme to fit with the timetable for any regulatory change. If this is not possible however Co-op will discuss with supplier the best and most efficient route for the changes to be made, including how Co-op can financially support these changes. Amend charges (where driven by supplier) and some examples of these are outlined in the next 2 pages	DESIGN/ PHOTOGRAPHY/ ILLUSTRATION: Brooke Fletcher, Design Team: brooke.fletcher@coop.co.uk ARTWORK & REPRO: Paula Henthorn, Artwork Team: paula.henthorn@coop.co.uk REGULATORY/LABELLING QUERIES: Aaron Fawcett, Labelling Team Aaron.fawcett@coop.co.uk



Supplier Initiated Artwork Amends

Suppliers will still be charged for artwork amends which are supplier-initiated changes. These are defined as changes that are within a supplier control but outside of Co-ops Control (e.g. factory site move).

Suppliers **will not be** invoiced for design, artwork or Repro driver by :

- Rebranding or strategic redesigning – e.g. Pioneer or periodic category redesigns.
- Co-op policy changes resulting in the need to change packaging
- New products development
- Existing product redevelopment or reformulation, including when driven by any Co-op projects.
- Regulatory and Legislative changes
- Cutter changes, made at Co-ops request
- Pack copy amendments, made at Co-ops request to an existing piece of packaging
- Product cancellations as a result of new product tasting fails, excluding any circumstances where an incorrect product was submitted
- Changes to all year round packaging for Events
- Addition of Logos, made at Co-ops request (eg new Co-op Brand Logos)

Suppliers **will be** invoiced for design, artwork or Repro driver by :

- Suppliers decision to move production, manufacturing or packing site – change of site code
- Supplier decision to change an ingredient or origin of ingredient
- Amendment to artwork files as a result of supplier error e.g. incorrect specification submitted
- Amendment to artwork as a result of supplier omission e.g. failure to add Gluten Free in the specification
- Cutter changes, made at Suppliers request
- Printer changes, made at Suppliers request



Artwork Amends charges (where amend driven by the Supplier)

These charges relate to Artwork amends where the need for the amend is requested by a Supplier.

Costs for Amends that require Design considerations

Substrate Type	Type of Cost	Definition	Design	Artwork	Amend Loops	Re-touch	Repro	GMG	Dispatch	Non Direct Cost	Total
All Substrates	Design Level 1	Simplistic Design change eg. cutter change requiring design layout work/substrate change	190	£150.00	£45.00	£60.00	£85.00	£60.00	£15.00	£390.00	£995.00
	Design Level 1	Simplistic Design change eg. cutter change requiring design layout work/substrate change	190	£200.00	£45.00	£60.00	£105.00	£60.00	£15.00	£390.00	£1,065.00
Label	Design Level 2	Range Extension eg moving from 4 to 6 pack/ orientation changes	265	£150.00	£45.00	£60.00	£85.00	£60.00	£15.00	£390.00	£1,070.00
All Other Substrates	Design Level 2	Range Extension eg moving from 4 to 6 pack/ orientation changes	360	£200.00	£45.00	£60.00	£105.00	£60.00	£15.00	£390.00	£1,235.00

Photography Costs

Service	Definition	Cost
Photography Level 1	Life Style Shot	£520.00
Photography Level 2	Cut Out Shot/Ingredients only	£420.00
Photography Level 1 + Side Face	Life Style Shot + Additional Side Shot	£830.00

Further Breakdowns are available upon request please e-mail supplierengagement@coop.co.uk

Additional Production Costs

Service	Definition	Cost
Braille Creation	To be used and included whenever Braille is technically feasible	£10.00
Cutter Change	Cutter submitted after original cutter uploaded and approved my myArtwork	£70.00
Additional Amend Loop V2+	On label amends or layout changes on front and back of pack. Transfer to a new Printer or flash removals	£45.00
Additional Amend Loop V3+	On any artwork with design requirements or EPD with no changes to design or cutter	£45.00