



Shipment & Routing Guide

SHIPMENT & ROUTING GUIDE

Distribution

As business partners driving mutually beneficial supply chain efficiencies, this section contains detailed instructions for the routing, consolidation, marking, and documentation of merchandise shipments to Walgreens Distribution Centers. Walgreens is committed to working with our Vendor partners to improve product packaging and handling as well as increasing automation efforts.

It is expected that all Vendors will comply with the requirements set forth.

Appointment Scheduling

- Truck load shipments – Appointments must be scheduled through our Internet Appointment Scheduling (IAS) system located on SupplierNet.
- LTL deliveries over 200 cases - Appointments must be made by the carrier prior to delivery.
- For carriers who are not EDI compliant, the required information when making an appointment:
 1. PO Number
 2. Total number of cases
 3. Condition of load: number of pallets, slip sheeted, floor loaded
 4. Weight per shipment
 5. Freight Bill
 6. Bill of Lading
- Shipments consisting of multiple trailers require a separate DC appointment for each trailer.
- LTL deliveries under 200 cases may use the express delivery process at Walgreens DCs. The 200 case limit is per trailer regardless of the number of POs on the trailer. No appointment is required to use the express delivery process.
- There will be times when the Walgreen DC must redirect loads to a third party location. When the carrier calls for an appointment, the receiving DC will evaluate the contents of the purchase orders on the trailer, and may redirect the trailer to another location. This can occur on both full trailer and LTL shipments.



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PO Delivery Extensions for Collect Shipments

If a Vendor misses a DC appointment date on a freight collect shipment because of a carrier problem, the PO delivery date will be extended and a new DC appointment will be assigned with no "on-time" performance penalty to the Vendor. The Vendor will be responsible for providing the Walgreens Corporate Transportation with any shipping documentation to support the carrier problem claim.

On freight collect shipments, the Vendor will be responsible for making the merchandise available for delivery by the standard date.

EDI Requirements

The 856 Transaction Set and corresponding UCC128 label is used to help expedite the receipt of supplier goods at both Walgreen Distribution Centers and Stores and to update shipped quantities for Walgreen purchasing agents and store personnel.

- Walgreens requires 100% accurate Advance Ship Notice (856) documents transmitted to us a minimum of 4 hours before the arrival of shipment..
- Walgreen will accept one Advance Ship Notice (856) per Freight Bill or truck.
- Multiple Advance Ship Notices (856) per PO will be accepted.
- Multiple POs per Advance Ship Notice (856) will be accepted.
- The shipping container marking (SSCC 18) should be appropriately recorded in the MAN Segment of the ASN. (See the DC Labeling Implementation Guide for additional information.)
- Quantities on the Advance Ship Notice must mirror quantities on the truck.

EDI Case & Pallet Shipping Label Requirements

Vendors that are transmitting the Advance Shipment Notice (856) are **required** to provide the UCC/EAN-128 bar code label on case (pack) or pallet as appropriate with each shipment.

Case Labeling:



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- When individual cartons are shipped without a pallet, Walgreen Co. will support shipping container markings (SSCC-18) at the case level with the UCC128 label. (See the Walgreen DC Labeling Implementation Guide for additional information.)
- Visible and scan-able case labels should be placed on the container as per the UCC guidelines depending on the case size and product content. (See the UCC guidelines for shipping individual cases (pack).)

Pallet Labeling:

- Walgreen Co. will support shipping container marking at the pallet (tare) level with restriction that the container must be shrink wrapped and properly labeled with the UCC128 label. (See the Walgreen DC Labeling Implementation Guide for additional information.)
- Visible and scan-able pallet labels should be placed mid-way on at least two sides of the pallet.

Bar Code Requirements for Shipment Labels.

Product identification through bar coding is well established and an integral part of doing business today. The evolution of the bar code through the guidance of the Uniform Code Council (UCC) and industry leaders has resulted in a powerful and universally accepted method for encoding product identification. The advantages to these codes extend from production and manufacturing, through inventory and warehouse management, to distribution and beyond. Walgreen Co. has taken care to follow the guidelines set forth by the UCC so that our bar code requirements will not become unique in the industry; rather that they are in line with the accepted practices for bar coding.

This document is designed to be used only in conjunction with, not substitute for, the specification manuals available through the UCC. Walgreen Company requirements specify the minimum requirements that we can accept based on the UCC guidelines.

Specification Manuals to obtain from the UCC:

1. Application Standard for Shipping Container Codes
2. UPC Symbol Specification Manual
3. Guidelines for Symbol Placement



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About the Codes

Walgreen Co. utilizes the following barcodes for managing purchase orders, distribution and inventory:

#1 *UPC-12 (Universal Product Code)*

The UPC-12 code is the most widely accepted product identification system in the marketplace today. Standardized systems have been in use in the retail grocery industry since 1973. This code is primarily for labeling individual selling units. Refer to the UCC Manual for print and placement.

#2 *SCC-14 (Shipping Container Code)*

The SCC-14 is the most widely accepted identifier for the same product, full case code. The SCC-14 was developed in conjunction with the UPC for use in managing inventory throughout the distribution channel, including the manufacturer, distributor, and retailer. Refer to the UCC Manual for additional information.

#3 *SSCC-18 (Serialized Shipping Container Code)*

The SSCC-18 is a uniquely defined "license plate" for shipping pallets or cartons. Based on the UCC guidelines, it combines the Company prefix (supplied by the UCC or EAN) with a serial number. Refer to the UCC Manual for additional information.

Labeling Product Shipments

Full Case Pack of the same Product.

Walgreen Co. requires full case packs of the same product to have the **SCC-14** bar code on each case. You and your packaging Vendor will need to print this bar code on the case exterior in accordance with size, location and printing specifications set forth by the UCC in their Shipping Container Code Manuals.

1. Shipping individual cartons for non-Rx vendors:

Full cartons containing the same product are required to have the SCC-14 bar code printed on the case. For shipping purposes the case is **also required** to have the UCC128 label with an **SSCC 18** bar code.

2. Shipping full Pallet(s):

Pallets containing the same product are required to have the UCC128 label with an **SSCC 18** bar code. (See the Walgreen DC Labeling Implementation Guide for additional information.)



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Mixed Case Pack:

1. Shipping individual cartons:

For shipping purposes when an individual case or carton is shipped without a pallet, it is **required** to have the **UCC128 label** with an **SSCC 18** bar code. (See the Walgreen DC Labeling Implementation Guide for additional information.)

2. Shipping mixed case pallet(s):

For shipping purposes, when a pallet contains a mixture of cases or cartons, the pallet is required to have the **UCC128 label** with an **SSCC 18** bar code. (See the Walgreen DC Implementation Guide for additional information.)

Printing Barcodes

1. Bar Code Symbology :

- All bar coded data will use the UCC/EAN-128 symbology

2. Human Readable Field :

- Text labels are required above each bar code

3. Print Quality:

- Use only white bar code label stock.
- Use only black non-reflective print for bar codes.
- Frequently monitor bar code print quality.



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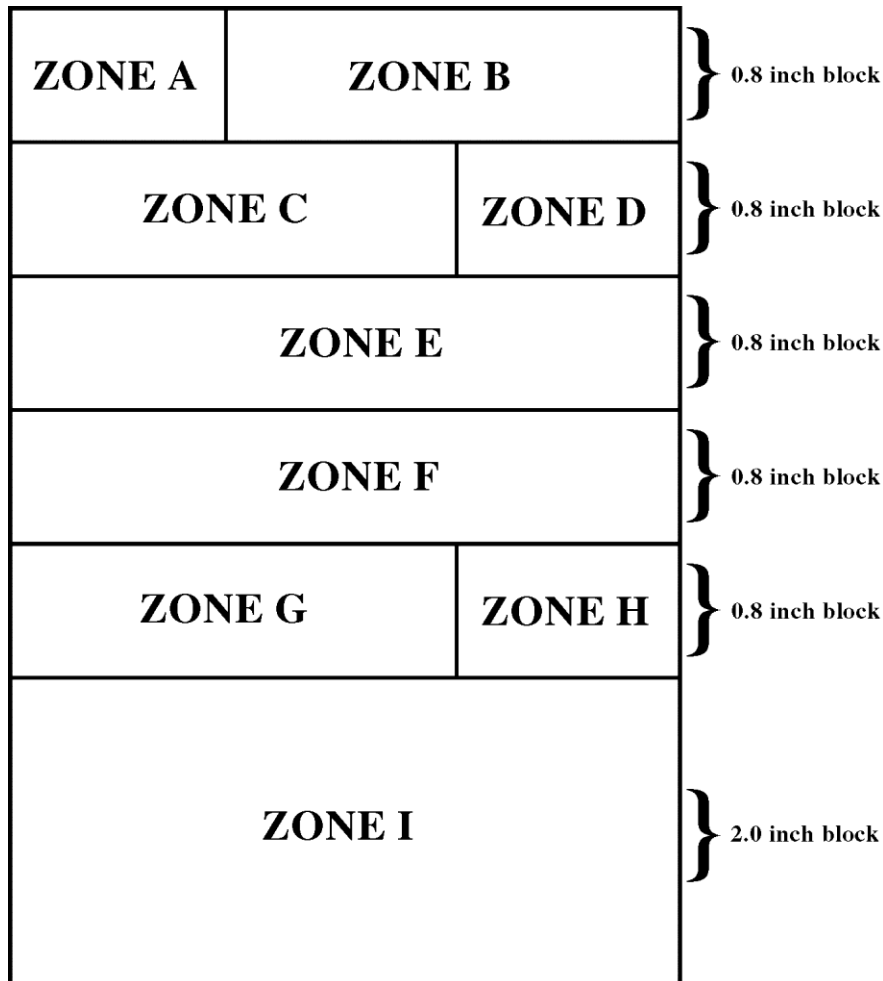
Advance Ship Notice 856 Shipping Label Bar Code Specifications

QuickTime™ and a
BMP decompressor
are needed to see this picture.



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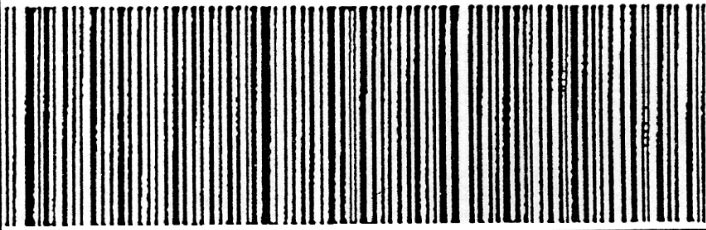
UCC Common Label
Maximum number of zones and block
within a 4" by 6" Label
Not Drawn to Scale





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Sample with all **Mandatory** **Conditional** and **Optional** Zones used.

Zone A	FROM XYZ Supplier 1155 Vendor St. Chicago, IL 60611	TO WALGREEN CO. W008 5100 Lake Terrace N.E. Mt. Vernon, IL 62864	Zone B	
Zone C	SHIP TO POST: (420) 60634 		CARRIER YFSY Yellow Freight PRO: 2805780803 B/L 853030	Zone D
Zone E	PO: 08123456 WGT: 100 l.b.			
Zone F	VENDOR: (90) 012345 			
Zone G	FOR (91) 008965063W008 	W008	Zone H	
Zone I	SSCC-18: (00) 0 0052177 513895717 2 			



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Walgreen Case or Pallet Shipping Label
Not Drawn to Scale



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Walgreen Label Requirements

Zone A : **Mandatory**

- * Ship From name and address

Zone B : **Mandatory**

- * Ship To name and address

Zone C : **Mandatory**

- * Ship To postal code or PRO Number Bar Code - bar coded

Zone D : **Mandatory**

- * Carrier Information - Carrier Name, SCAC, PRO Number, Bill of Lading Number

Zone E : **Mandatory**

- * Trading Partner Data - PO Number, Gross Weight
- * Correspond to the PRF Segment of the ASN for PO Number

Zone F : **Mandatory**

- * Walgreen Vendor Number 6 digit preceded by (90) - bar coded (See Label example)
- * Correspond to the REF Segment of the ASN when the Code Qualifier is "VR".

Zone G : **Mandatory**

Final Destination Code

- * Walgreen DUNS +4 digit Warehouse ID Number preceded by (91) - bar coded (See Label example)
- * Correspond to the N1 Segment of the ASN when the Code Qualifier is "ST".

Zone H : **Mandatory**

- * Walgreen Warehouse ID - large printed text

Zone I : **Mandatory**

- * Serial Shipping Container Code - bar coded
- * Correspond to the ASN/MAN Segment for Tare or Pack depending on shipment



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Height :	2.0 () inch
Width :	4.0 () inch
Characteristic :	Mandatory
Data Content :	Serial Shipping Container Code
Bar Code Height :	1.25 inch (minimum)
X Dimension :	0.020 inch (minimum)



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Unitization

- Unitized loads speed receipts, improve accuracy and reduce damage
- For ergonomic reasons Walgreens requires receipt of all merchandise on standard GMA (40" x 48") white wood pallets.
- All loads should be unitized with stretch wrap. EDI compliant Vendors should use a "128" on each unitized portion of the shipment.
- Walgreens will exchange pallets with carriers upon delivery of merchandise.
- Place cartons so they do not overhang edges of pallet.
- Secure cartons to pallets with stretch wrap, all unitized.
- If multiple POs on a shipment, sort cartons by PO, making sure that each pallet contains cartons only for one PO (If your carton count is insufficient to build a complete pallet you may combine multiple orders on one pallet by placing cardboard/slip sheet dividers between POs so that cartons are clearly segregated).
- For items with less than full pallet quantity:
 1. Less than tier per item – combined on a mixed pallet with items stacked separately.
 2. One tier per item - on pallet with even tiered items.
 3. Greater than one tier – even tiers on pallet as described in (2) with remainder placed on mixed pallet as described in (1).

Pallet Policy

The maximum height of pallets, including pallet and product, must not exceed 65 inches.

Pallets will be inspected at the Walgreens receiving dock for approval. All pallets must meet Walgreens pallet specifications to be approved. Pallets will be approved or rejected based on the following:

Minimum Acceptable Specifications:

Measurements: 48" x 40", notched stringer, four way entry for fork tines, 2,500 lbs. load bearing capability.



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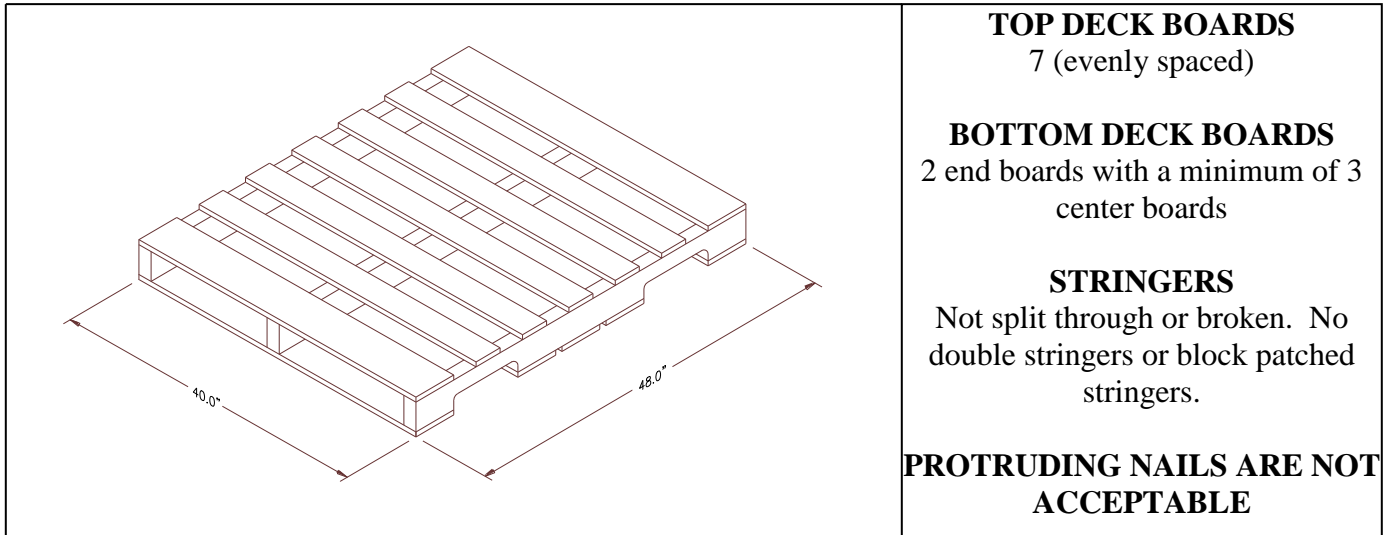
- Top Deck Boards:** 7 solid boards, 5/8" evenly spaced. Both end boards 5 1/2", other boards 3 1/2". No loose boards or board chips exceeding 1" x 18". Grain cracks and nail cracks acceptable if secured.
- Bottom Deck Boards:** 5 boards, 5/8". Both end boards 5 1/2", center boards 3 1/2". No loose boards or board chips exceeding 1" x 18". Grain cracks and nail cracks acceptable if secured.
- Stringers:** 3 stringers 1 3/4" x 3 3/4". No double stringers or block patched stringers. Stringers repaired with metal connectors acceptable as described by the National Wooden Pallet and Container Association.
- Protruding Nails:** None acceptable.
- Contamination:** No grease, chemicals, or any other material that would soil or damage the product or its container.

A pallet that is clean and structurally sound, that can transport the product through the movement of transportation and warehousing without damaging the product will be approved.



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The drawing below is a sketch of a “GOOD” 48 x 40 4-way pallet.



Vendors who are not using standard GMA (40" x 48") white wood pallets:

Walgreens reserves the right to recover incremental handling costs resulting from use of pallets weighing in excess of 55 pounds or do not conform with the above pallet specifications. Unless Walgreens approves use of noncompliant pallets before delivery, we will assess these costs to vendors on a per case basis.

Packing Slips

For Vendors who are not EDI compliant packing slips are required as follows:

- Prepare one packing slip for each purchase order as shipped.
- Include the following information on each packing slip:
 1. Walgreens purchase order number
 2. Distribution Center number and name
 3. Number of cartons
 4. Item description (including Walgreens item code) and quantities
 5. Total units
- Insert packing slips into a removable pouch, and place it on the outside of a lead carton for each purchase order.



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- When shipping full trailer loads, the lead carton(s) should be the last carton(s) placed on the truck for easy access at our dock.

Transportation

Transportation is a vital component in effectively managing the supply chain. Ultimately, the goal is to manage product flow to achieve the highest fill rates while operating at the best possible cost. Walgreens Corporate Transportation Department will continually direct its effort toward instituting backhaul programs, using Walgreens fleet to interline with preferred carriers, and promoting the use of the “Priority One” consolidation service.

Bill of Lading Requirements

All bills of lading must have the following information:

1. PO number
2. Pieces (cartons and pallets) and weight
3. Accurate commodity description
4. Address of actual origin/shipping location (including zip code)
5. Freight terms agreement: (collect or prepaid)

Carriers

While Vendors have the right under “freight prepaid” purchase terms to select the carrier, the Vendor’s choice of carrier does not always provide the best flow for their product through the pipeline and into our DCs.

There are two recommended ways to route less than truckload (LTL) shipments into Walgreens distribution centers; National Consolidation Service (NCS, “Priority One Service” from Menasha Services) and Preferred Carriers:

Table 3.0

Feature	“Priority One Service”	Preferred Carriers
Special freight rates based on consolidating shipments with other Walgreens Vendors at central consolidation point.	□	
Gives Vendors a dedicated team of logistics specialists who track every order from time ready to ship until delivered and received by Walgreens.	□	



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Offers Vendors a coordinated order/ship schedule that provides the same week-to-week service on every Walgreens PO.	<input type="checkbox"/>	
Gives Vendors the ability to ship to all Walgreens distribution centers from a single stock location without sacrificing service or increasing total cost.	<input type="checkbox"/>	
Minimizes inventory investment and improves order fill percentage through the consolidation of stock locations for Walgreens.	<input type="checkbox"/>	
Receives shipments in advance by Walgreens while in transit, which reduces putaway time at DC.	<input type="checkbox"/>	
Reduces claims on damages and shortages because of less handling.	<input type="checkbox"/>	
Gives Vendors the ability to easily trace every shipment over the Internet NCS web site.	<input type="checkbox"/>	
Improves Walgreens in stock status on your product, providing additional sales.	<input type="checkbox"/>	
Offers Vendors substantial freight discount with truck line on all Walgreen shipments.	<input type="checkbox"/>	
Reduces congestion at Shipping dock.	<input type="checkbox"/>	<input type="checkbox"/>
Reduces Vendor order cycle time for Walgreens	<input type="checkbox"/>	<input type="checkbox"/>

Preferred LTL Carriers

Routing Guide & Instructions:

Please refer to our latest LTL Routing Guide, located on suppliernet (shipping and receiving tab) for routing and instructions

For additional routing information, please contact:
walgreenstransportation@walgreens.com

Prepaid Shipments: LTL & TL

Freight Prepaid

Table 5.0

Preferred Routing	NCS "Priority One Service" from Menasha Services (National Consolidation Services)
Call our specified Priority One Carrier who will establish competitive pricing which will enable you to combine inventories and serve the entire Walgreens chain from one shipping point through our consolidation expediting the flow of product to point of sale.	



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Secondary Routing	Specific LTL carriers.
Call specific carriers shown in the index of carriers for direct LTL shipment to shipment individual Distribution Centers.	

On all less-than-truckload shipments, we strongly urge you to utilize our preferred carriers. Carriers on the preferred list have proven themselves reliable and capable of providing required EDI transactions. Utilizing preferred carriers will reduce the number of carriers that serve our Distribution Centers and will help to expedite the delivery of merchandise to our Distribution Centers and to our stores. Our preferred carriers have appointments every day and are able to increase our receiving efficiencies and your/our carrier efficiencies.

If you choose to select a non-preferred LTL carrier, your company will be responsible for any accessorial charges such as detention, sorting, segregation, or notification charges.

REMEMBER: Your carriers are required to make appointments and keep them on time!

If you mis-classify the merchandise on your Bill of Lading or show the wrong weight and it results in additional charges to Walgreens, you will be billed back for these charges plus an administration fee.

All TL shipments require a delivery appointment at our Distribution Center.

On Prepaid TL shipments, Walgreens will not be responsible for any accessorial charges such as detention, sorting, segregating, or notification charges.

General Routing Instructions

The Walgreens Traffic Department is the only department that can provide routings for our Vendors who ship freight collect, or where Walgreens is responsible for freight payment.

Deviations from these procedures indicate that you have chosen to ship on a prepaid basis and will result in a chargeback for full freight plus administrative charges.

Collect LTL

1. Multiple POs going to the same Distribution Center **must** be written on one (1) bill of lading so as to constitute one shipment.



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2. Shipping more than one LTL shipment per week to a Distribution Center is not permitted. Consolidate POs as mentioned in #1. You will be charged back for subsequent LTL shipments taking place during the same work week.
3. Instructed Walgreens preferred carrier should service your location direct. If not, please contact the Walgreens Traffic Department for instructions.
4. **Any deviations from previous instructions will result in a chargeback for full freight.**

Collect Truckload/Volume Shipment

See LTL routing guide for details on collect shipment sizes or email walgreenstransportation@walgreens with questions.