

# VENDOR MANUAL

2017-2018 VERSION 2.0

*SECTION 9 - Logistics*

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# SECTION 9 - LOGISTICS

## Submitting a Domestic Shipment ASN

### Overview

The purpose of these guidelines is to provide all the information needed to ship, domestic and import shipments, to Destination Maternity Corporation. Please do not deviate from these guidelines as non-compliance will result in Non-Compliance charges. Please see the [DM Non-Compliance Matrix](#) located in Section 1 Vendor Onboarding and Certification document. Thank you for your continued support and partnership.

### Domestic Shipments: SUBMITTING ASN (Advanced Shipping Notice) To Destination Maternity

- ❑ Submitting ASN is a mandatory requirement for all vendors, for all shipments.
- ❑ ASN must be submitted for shipment delivery **5 days prior** to the shipping date for Domestic shipments and **5 days prior** for Import shipments.
- ❑ If PO is not listed in the “Select Po’s for Shipment” view, this indicates vendor is attempting to ship earlier than the 5 days allowed prior or shipping date.
- ❑ If you need to discuss the details of your shipment, please contact the Destination Maternity Logistics Department at: [fg@destinationmaternity.com](mailto:fg@destinationmaternity.com). You will receive a response within **24 hours**.
- ❑ For assistance with the electronic ASN process, contact DM Vendor Relations at: [vendorrelations@destinationmaternity.com](mailto:vendorrelations@destinationmaternity.com).

### Step 1: Log into your website

Click on “*Enter Shipment Info*”



You will see the following screen. If you are a domestic vendor, complete the Domestic information to the right of the screen. **\*Note: Each field is mandatory and must be completed prior to submission.**

# SECTION 9 - LOGISTICS

## Submitting a Domestic Shipment ASN

**Shipment Information**

\* - Required Field.

[Import to U.S.](#)      [Domestic to DMC](#)

Container#:       \*Pro#/Tracking#:

Master Bill#:       \*Origin Zip Code:

Shipment Mode:       \*Carrier/Tracking Co:

Port of Export:       \*Pickup Date:

Port of Clearance:       \*Total Weight:  0 lbs

Date of Export:       \*Total Pallets:

Date at Port of Clearance:

**PO Information**

Select a PO# in the below list box. All POs listed in the listbox are eligible for shipment.

Click the 'Save' button to save this shipment for modification later. Click the 'Create Manifest' button if you are ready to submit this shipment to Destination Maternity Corporation. (Note: shipment will not be editable once the manifest has been submitted.)

Select PO#(s) for shipment:

PO#	Total Units	Total Cartons	IH Date	Action
528963				
528971				
528974				
528136				

### Step 2: Select Purchase Orders

Once the top portion of information is filled in, select the appropriate PO's that are shipping together in the shipment. If done correctly vendor will see the Total Units and Total Cartons auto populate for each PO selected. The shipment data once entered will populate the ASN as below.

Vendor must return to step #3 of the carton label menu and transmit the carton label file.

**Shipment Information**

\* - Required Field.

[Import to U.S.](#)      [Domestic to DMC](#)

Container#:       \*Pro#/Tracking#: TruckNum1

Master Bill#: TruckNum1      \*Origin Zip Code: 07032

Shipment Mode:       \*Carrier/Tracking Co: Sarcona

Port of Export:       \*Pickup Date: 02/01/13

Port of Clearance:       \*Total Weight:  1,000 lbs

Date of Export:       \*Total Pallets: 26

Date at Port of Clearance:

**PO Information**

Select a PO# in the below list box. All POs listed in the listbox are eligible for shipment.

Click the 'Save' button to save this shipment for modification later. Click the 'Create Manifest' button if you are ready to submit this shipment to Destination Maternity Corporation. (Note: shipment will not be editable once the manifest has been submitted.)

Select PO#(s) for shipment:

PO#	Total Units	Total Cartons	IH Date	Action
528301	250	1	02/01/13	<a href="#">Remove</a>
528298	315	1	02/01/13	<a href="#">Remove</a>
528296	280	1	02/01/13	<a href="#">Remove</a>
528445	3744	96	02/01/13	<a href="#">Remove</a>
528448	4056	117	02/01/13	<a href="#">Remove</a>
528450	3952	142	02/01/13	<a href="#">Remove</a>
528451	3848	193	02/01/13	<a href="#">Remove</a>
528341	2500	23	02/01/13	<a href="#">Remove</a>

If you need to remove a PO from the ASN, click on **“Remove”** at the right. Follow the instructions listed above. If you need to suspend entering the information, click **“Save”**.

# SECTION 9 - LOGISTICS

## Submitting a Domestic Shipment ASN

### Step 3: Transmitting ASN

Once complete and you have checked all fields, click the **“Create Manifest”** button. Information will transmit to DM.

### Step 4: View ASN

You will see the ASN listed at the top of your webpage.

Return to Main

### Shipments Pending Manifest

BOL/Pro#	Carrier	Pickup Date	Manifest Date
<a href="#">TruckNum1</a>	Sarcona	02/01/13	01/25/13
<a href="#">TruckNo1</a>	Sarcona	01/21/13	
<a href="#">Truck1</a>	Sarcona	01/28/13	01/25/13

Shipment Information

# SECTION 9 - LOGISTICS

## Domestic Shipment Guidelines

Destination Maternity is responsible for freight based upon your purchase order 'ship from' location on your purchase order.

- If a Vendor is paying the freight pre-paid to Burlington, NJ Destination Maternity Distribution Center they are permitted to use a carrier of their choice.
- If Destination Maternity is paying the freight collect from vendor's warehouse Vendor are required to use a Destination Maternity Preferred Carrier.

To access the **DM Preferred Carrier List**: *Vendors must download from the [Forms Download Link](#), on the [Vendor Manual Dashboard](#), SECTION 9 FORMS.*

### Basic Guidelines for Domestic Shipments

- No Phone calls will be accepted for appointments
- Vendor is responsible for contacting the carrier for picking up their freight
- Domestic shipment must be loaded in a trailer by purchase order. Mixed purchased orders within the pallet will not be accepted unless the PO size does not meet a full pallet.
- Each pallet is one PO/Style/Color/Size only.
- Shipments cannot be delivered double stacked.
- Deliveries need to be on a standard size us 40"x48" wood or plastic pallet in good condition.
- No pallet should exceed 6 feet in height (typically 6 cartons high on a pallet).
- Each pallet must use clear shrink wrap.

### Delivery Changes for Domestic Shipments

It is the responsibility of the vendor to inform the buyer and receive confirmation of any proposed delivery date change BEFORE the purchase order delivery.

### Trucking Company Requirements

- A truck must make all deliveries unless pre-approved at the time of appointment scheduling.
- Destination Maternity will not accept a sealed full container shipment from a domestic or DDP vendor.
- All freight must be deconsolidated and palletized with clear shrink wrap ready for delivery.
- Drivers must have their company issued or personal federal identification for access to the loading dock are of Destination Maternity.
- Seal or padlock must be on the truck.
- Truck company name must be on the side of the truck.

# SECTION 9 - LOGISTICS

## Domestic Shipment Guidelines

Vendor is not permitted to ask for any special instructions from a transportation carrier if Destination Maternity is paying for the freight. Requests for special handling such as "Deliver by 5pm", or "Notify or ask for appointment" are not acceptable. All shipments are standard ground unless otherwise previously approved. If there are any penalties assessed by the transportation carrier as a result of special requests in writing or when filling out the Bill of Lading (s) will be charged to the vendor.

Destination Maternity accepts shipment deliveries Monday through Friday, **7:00 AM to 5:00 PM, BY APPOINTMENT ONLY**. We do not accept shipments on Saturday and Sunday without prior approval.

You must submit your ASN for shipment delivery 5 days prior to the Freight Forwarding date in order to ensure a time slot for delivery for the requested day.

NOTE: If your shipment is over 7 pallets, e-mail the Destination Maternity Logistics Department: [fg@destinationmaternity.com](mailto:fg@destinationmaternity.com) with PO's, zip code, carton count, weight and pallet information. You will receive a response within 24 hours

Please be aware that deliveries could be refused at the discretion of Destination Maternity if they are delivered without an ASN appointment confirmation. The in-house date of the purchase order will not be extended as a result of failing to book an appointment.

It is the vendor's responsibility to properly classify freight when scheduling a shipment and filling out the bill of lading according to the National Motor Freight Classification (NMFC). Freight Classification is required for **ALL** carriers, not just the preferred carriers authorized by Destination Maternity.

<http://www.nmfta.org/pages/nmfc.aspx>

**\*Failure to correctly classify your freight will result in a penalty from the transportation carrier and will be your responsibility to pay regardless of the freight terms.**

# SECTION 9 - LOGISTICS

## Import Shipments & Compliance Guidelines

### Import Shipments

Please see attached list of approved Freight Forwarders for all Import Shipments to Destination Maternity. You must contact the correct Freight Forwarder by origin 5 days prior to the Freight Forwarder date.

To access the **Destination Maternity Approved Freight Forwarders List: *Vendors must download from the [Forms Download Link](#), on the Vendor Manual Dashboard, SECTION 9 FORMS.***

### Factory Loading Policy

Destination Maternity does not allow factory loads without authorization. All Cargo is to be delivered to the FCA location to the nominated freight forwarder as specified on the purchase order on the contracted date.

### FCA Location Policy

A purchase order is confirmed with a FCA location. Any movement of goods (inland freight charge) from one FCA location to another is not Destination Maternity's responsibility. If goods are shipped from a different location other than what was contracted, approval must be secured before goods leave the factory.

### Import Compliance Guidelines

It is the policy of Destination Maternity to comply with all applicable laws and regulations of the U.S. Customs and Border Protection (CBP) Service and any other federal agency relating to or governing the importation and exportation of merchandise to/from the United States. Further, Destination Maternity seeks to monitor regularly, our vendor's compliance with all applicable rules and regulations.

In addition to the requirements for our **Code of Conduct** and anti-transshipping policy noted elsewhere in this manual, the following must be adhered to in order to ensure compliance with all U.S. government regulatory requirements.

Vendors and agents must ensure reasonable care providing information to support the following regulatory areas:

- ❑ Classification
- ❑ Country of Origin
- ❑ Labeling and Marking
- ❑ Special Trade duty programs
- ❑ Transshipping

# SECTION 9 - LOGISTICS

## Import Shipments & Compliance Guidelines

### Country of Origin Requirements

The proper declaration of the country of origin of product to U.S. Customs is essential to ensure correct application of Marking, eligibility for Special Trade duty programs and protection against potential violations of transshipment regulations.

Vendors are responsible for being aware of the U.S. regulations governing country of origin and for providing all required documents to support all declarations. Vendors must take whatever steps are necessary to ascertain that declarations made by suppliers/ factories presented to Destination Maternity are truthful and accurate. The vendor must review the requirements with every supplier/factory prior to confirmation of purchase order

### Determining Country of Origin

The following countries of origin rules are to be followed sequentially in order to derive the correct country of origin for apparel and fabric articles.

#### Apparel

1. **Wholly obtained or produced:** The country of origin of an apparel item is the country in which the item is wholly obtained or produced.
2. **Wholly assembled:** The country of origin of an apparel item is the country in which the components of the product are wholly assembled, with the exception of minor attachments such as buttons, beads, spangles, embroidery, etc., or minor subassemblies such as collars, cuffs, pockets, plackets, etc.
3. **Knit-to-shape:** The country of origin of knit-to-shape products is the country in which major parts are knitted or crocheted directly to the shape used in the finished product. Knit-to-shape applies when 50% or more of the exterior surface area of a garment is formed by major parts that have been knitted directly to the shape used in the goods, exclusive of minor trimming or sewing.
4. **Multi-country rule:** If the country of origin of an apparel product cannot be determined by one of the above rules and the product is a result of processing in two or more countries, the country of origin is:
  - A. The country in which the most important assembly or most important manufacturing processes occurs
  - B. If the most important assembly or manufacturing process cannot be determined, the country of origin is the last country in which an important assembly or manufacturing operation occurred

If there are any questions regarding a product's country of origin, please contact the Destination Maternity Customs Compliance Department: [customscompliance@destinationmaternity.com](mailto:customscompliance@destinationmaternity.com)

U.S. Customs has a binding ruling program that will rule on the country of origin of specific garments, provided the manufacturing process is clearly identified.

# SECTION 9 - LOGISTICS

## Import Documentation Requirements

There are two standards for documenting country of origin:

- One standard is the documentation necessary at the time of entry. This is required for all apparel entries into the United States
- The second standard is the documentation necessary to verify country of origin in the event that U.S. Customs requests additional documentation.

**Please note that U.S. Customs has the right to ask for documentation that goes all the way to the country of origin of the raw materials incorporated into the finished product. These documents must be translated into English and must be submitted 1 week after request.**

**Some of the documents that U.S. Customs may request are:**

1. Purchase order from the Importer to the Manufacturer/Agent for the merchandise in the shipment.
2. Factory Profile:  
Factory registration.
  - Floor plan/map of the factory
  - List of machinery in the factory
  - Indication of the factory's start date
  - Indication of how many employees work at the factory and the number of shifts
3. Documents showing how the raw materials (yarn, fabric, etc.) and accessories (buttons, labels, etc.) were obtained by the factory for production
  - Purchase order for the raw materials
  - Mill certificates
  - Inland freight bills/bills of lading
  - Import documents and customs clearance records (if applicable)
  - Invoice for the raw material
  - Proof of payment
4. Cutting Records/Tickets for garments assembled from bulk components. The cutting records must be those records maintained by the cutting section.
5. For knit to shape garments submit daily records showing the type and quantity of panels knitted.
6. Production steps (a list of the individual sewing steps showing the sequence followed to produce a specific item.
7. Sewing Tickets/Summary Production Records (assembly or production records maintained on the factory floor by the production manager:
  - If the factory workers are paid by the piece, individual sewing tickets must be submitted
  - If the factory workers are salaried employees, individual sewing tickets or a summary of the daily production of each worker must be submitted
8. Finishing operation records (for washing, ironing, packing, etc.)
9. Time cards/Wage Records for all the employees involved in the activities listed above.
10. Subcontracts:
  - Transfer documents for work being sent from the factory to the subcontractor
  - Explanation of all work performed in the subcontracted factory and all documents list above in steps 2 through that apply
  - Transfer documents for work returned to the factory
  - Proof of payment for the subcontracted work

# SECTION 9 - LOGISTICS

## Import Documentation Requirements

11. If a portion of the processing operations were conducted in a second country, then proof of the production processes in the second country are required:
  - ☐ Export documents for the raw material, components,
  - ☐ Export documents for the raw material, components, subassemblies or finished goods for processing
  - ☐ Explanation of all work performed in the second country and all documents listed in points 2 through 9 that apply
  - ☐ Re-importation of the goods after processing (export documents/customs clearance records)
  - ☐ Proof of payment
12. Inspection records conducted by the importer/agent for the merchandise in this shipment.
13. All export documentation for the merchandise in this shipment (inland freight bills, airway bills, customs export documents, etc.).
14. Proof of payment from the U.S. purchaser to the factory or payment from the U.S. purchaser to the seller and from the seller to the factory.

**\*Any of the above documents or documents listed in the special regime section may be required and must be submitted within 1 weeks' time period in English.**

### Special Trade Documentation

In addition to the country of origin textile declaration, there are other documents needed to support country of origin eligibility for items entered under the requirements of a special trade duty program. Those requirements are as follows for programs currently utilized by Destination Maternity:

#### United States-Central America Free Trade Agreement (CAFTA)

- ☐ CAFTA Certificate of Origin
- ☐ Commercial Invoice
- ☐ Fabric Affidavits
- ☐ Yarn Affidavits
- ☐ Thread Affidavits
- ☐ Thread Affidavits
- ☐ Through Bill of Lading or Airway bill showing direct import from beneficiary country to the United States

### Penalties

If a vendor is unable to procure the documents necessary to support the country of origin declaration and the goods are denied entry, vendor is responsible for recovering the cost of the goods for Destination Maternity. They are also responsible for any costs incurred in the shipping and attempted entry of the goods.

# SECTION 9 - LOGISTICS

## Import Documentation Requirements

### Garment Classification

To ensure accurate declaration and payment of duties to U.S. Customs, it is essential that goods are classified accurately at the time of entry with the correct Harmonized Tariff Schedule of the United States (HTSUS) number. Destination Maternity Customs Compliance department will review and classify all products prior to shipment.

Vendors and agents have the obligation to provide accurate garment information, including but not limited to the following, to ensure accurate classification:

- Fiber content
- Stitch count for knit tops
- Yarn-dye information for woven top
- Measurements
- Review all information on the automated commercial invoice to ensure accuracy of data
- Use DM's automated commercial invoice to ensure the assigned classification is indicated on the invoice

### Garment Classification Procedure

Timely garment classification is critical to maintaining delivery dates. Vendors are required to understand and adhere to the DM Garment Classification Guidelines Procedure Manual which details the SOP (Standard Operating Procedure) for garment classifications and submitting ACI (Automated Commercial Invoice) in the DM System.

To access the **DM Garment Classification Procedure Manual: *Vendors must download from the [Forms Download Link](#), on the Vendor Manual Dashboard, SECTION 9 FORMS.***

### Invoices for Late Shipments

If shipments are late to the freight forwarder, factory is responsible for air sea difference. If shipments are late to the in-house date, they ship air prepaid.

- **AIRS/A** indicates we have taken a discount based on the difference between the sea freight and the **actual** airfreight cost. It will be displayed as **S/A disc** in the website.
- **AIRPP** indicates we have taken a discount for the amount of the total air freight. It will be displayed as **AIRDISC** on the website.
- **AIR** indicates that DM is paying for the air shipment.

**The following procedures are to be followed when a vendor agrees to be responsible for additional costs to expedite order:**

1. Vendor contacts merchant and merchant updates the system with the new shipment mode. The system generates an estimated airfreight cost.

The total estimated airfreight cost is used to generate an airfreight cost per unit. This cost per unit is deducted from the FOB cost of the item. The new cost will be reflected in the web PO system. ***Note: Until the actual air freight costs are known, the revised price in the system will only be an estimate based on standard air freight costs.***

# SECTION 9 - LOGISTICS

## Import Documentation Requirements

2. Vendor supplies Destination Maternity designated freight forwarder with detailed shipping information, including the following:
  - ❑ PO, Style, number of cartons and total number of units
  - ❑ Size of each carton, and number of units per carton
  - ❑ Total gross weight of shipment
3. The actual airfreight cost is calculated and updated in the system. The final, renegotiated FCA cost is updated, and the new cost is reflected in the web PO system.
4. The Destination Maternity automated commercial invoice will reflect the new cost, and payment made against the renegotiated cost.
5. Airfreight forwarder will present the bill for the entire air shipment to DM for payment.

If the vendor submits an invoice at the original, higher price, they will be responsible for any costs associated with entering goods at a higher value than the new, renegotiated price.

### Payment Submission for Vendors

#### Domestic Freight

Each Purchase Order must be invoiced separately and document scanned and E-mailed to DM Logistics: [fg@destinationmaternity.com](mailto:fg@destinationmaternity.com)

Invoice must include the following:

- ❑ DM P.O. number
- ❑ Date of Shipment
- ❑ DM Class code-style (SKU) number on a line item basis, listing the total quantity shipped by SKU
- ❑ Total number of units shipped per purchase order
- ❑ Unit cost per purchase order
- ❑ Total Cost per purchase order
- ❑ Grand total cost per purchase order
- ❑ Terms of Purchase order
- ❑ If you have been notified by DM that you are a specified vendor, then you must declare the Value of the goods in full in the shipment on the Bill of Lading

### Documentation required for AIR & OCEAN SHIPMENTS:

One (1) copy of the document should be scanned and emailed to DM Customs Compliance Department within 24 hours after shipment departs:

[customscompliance@destinationmaternity.com](mailto:customscompliance@destinationmaternity.com)

Please CC the following people:

- James Cute: [jcute@DestinationMaternity.com](mailto:jcute@DestinationMaternity.com)
- Maria Santiago: [msantiago@DestinationMaternity.com](mailto:msantiago@DestinationMaternity.com)

# SECTION 9 - LOGISTICS

## Import Documentation Requirements

Include the following:

- ❑ Automated Commercial Invoice
- ❑ Packing List
- ❑ AWB/ BL
- ❑ Country of Origin
- ❑ Inspection Certificate
- ❑ Final Garment Inspection 2.5 AQL Report & Measurement Sheet **\*failure to provide will result in non-payment of Purchase Order.**
- ❑ Cargo Receipt Listing Purchase Order Number, Cartons and Country of Origin written in ENGLISH
- ❑ All shipments (AIR or OCEAN) must be consigned to Destination Maternity Corp.

### **AIR pre-paid and SEA/AIR difference shipments from Bangladesh ONLY:**

The C&F certificate from the freight forwarder must be submitted to the carrier for submission to the Central Bank. Seaway bill express release is required for Ocean Shipments.

### **Sea Shipment Bank Document Requirements (Destination Maternity is the consignee):**

One (1) copy of documents should be scanned and emailed to the following people:

- **James Cute: [jcute@DestinationMaternity.com](mailto:jcute@DestinationMaternity.com)**
- **Maria Santiago: [msantiago@DestinationMaternity.com](mailto:msantiago@DestinationMaternity.com)**

The document required is: **Automated Commercial Invoice**

# SECTION 9 - LOGISTICS

## Import Documentation Requirements

### General Documents

#### Best Practice: Shipment Requirements

In order to ensure best practices, all imported merchandise shipments must be delivered on pallets that have been heat-treated or fumigated with methyl bromide. The pallet must be marked with the International Plant Protection Convention logo. This regulation is in accordance with U.S. Customs and Border Protection's announcement on Sept 16, 2005 of wood packing import standards.

- Each pallet needs to be packed on a PO level, not to exceed 6 boxes high of our standard size carton.
- If a shipment is manufactured in the US, then the shipment can be delivered on normal pallets.
- All license plate stickers must be facing out. The packing list must be transmitted prior to delivery.

### Shipping Requirements and Penalties

#### Cargo Turnover Policy

Wearing apparel cargo can be turned over up to 5 days prior to freight forwarder date and the quantity can be plus or minus 3% of the order quantity. If cargo is turned over without approval outside of these days, the cargo will be returned and vendor will be responsible for trucking, storage, or any other local charges that may apply. During that five-day window, export customs documents must be applied for and secured. In some countries, a document may be needed in order to apply for the visa prior to the cargo arriving for export. Timing should be coordinated to minimize storage charges and to secure the visa prior to export.

**\*Destination Maternity is not responsible for any local holidays that may alter the timing in issuing export documentation**

#### Document Policy

Vendor is responsible to submit the necessary clearance documents when goods are turned over to freight forwarder. If freight does not have documentation at this time, then the freight is late to the freight forwarder. Bank documents are considered late if the merchandise arrives in port and correct and complete documents are not at the bank. If any shipment is delayed from being delivered to Destination Maternity due to incomplete or inaccurate documentation, the vendor is liable for all costs related to the delay, including but not limited to demurrage, brokerage, expediting, storage, container stripping and trucking. If the delay causes the garments to be delivered to DM after the in-house date, this non-compliance will result in a non-compliance charge to the Vendor. Please reference the **DM NON-COMPLIANCE MATRIX** located in Section 1 Vendor Onboarding and Certification document.

# SECTION 9 - LOGISTICS

## DM Internal Security Procedures

### Container Inspection Security Requirements

We are issuing the following information so suppliers and carriers will know not only what is expected of them, but also to inform them of the security procedures in place at Destination Maternity. We believe that knowledge of how DM handles security internally will benefit all and we welcome our partners to use these procedures in their own facilities.

As a certified member of C-TPAT, Destination Maternity expects all inland carriers who deliver merchandise to all distribution facilities to abide by strict security guidelines. This will help ensure the security of the Supply chain.

Destination Maternity will validate that the following requirements are being met and will terminate any business relationship for non-compliance with security requirements. The validation will also consist of checking the overall cleanliness, condition and integrity of the container before any cargo is loaded.

### Shipping Facility Security

- ❑ Unauthorized access to the shipping and loading docks is prohibited.
- ❑ All employees must wear their photo identification.
- ❑ Employees must be trained on security awareness, theft prevention, internal code of conduct and identification of potential conspiracies.
- ❑ Drivers may only enter through designated DM entrances and must stay in designated areas. All Drivers entering the building will be given a visitor badge.

### Security at Delivery of LOADED Trailer/Container to Destination Maternity

- ❑ All doors to the trailer/container should be locked and vehicle is parked 50 feet away from the Destination Maternity building.
- ❑ Driver enters building through designated door and gives paperwork to Destination Maternity warehouse manager or supervisor. **The BOL should have the seal number, carton number, container number, vendor or customer name, date, driver name, trucking company, federal identification and purchase order number.** Driver name is matched between the name on the BOL and the driver's Photo Identification.
- ❑ Destination Maternity employee walks with driver to container to verify the seal number and tugs on the seal to ensure that it is intact. Seal number is noted on BOL and the driver's Photo Identification.
- ❑ The seal is cut and both parts of the seal are retained, put in a plastic bag and labeled with the date by DM. At day's end, seal is placed in "the seal box" and at month's end, the box will be archived. Seals are kept for 5 years and will only be disposed of by the Destination Maternity Director of Logistics.
- ❑ Doors are opened and container is inspected for irregularities by a **7-point inspection:**
  1. Cargo
  2. Doors
  3. Hinges
  4. Wall
  5. Floors
  6. Ceiling
  7. Chassis

# SECTION 9 - LOGISTICS

## DM Internal Security Procedures

- Doors are opened and container is inspected for irregularities by a **7-point inspection**:
  8. Cargo
  9. Doors
  10. Hinges
  11. Wall
  12. Floors
  13. Ceiling
  14. Chassis
- If a container has any type of trash, substance, dirt, writing inside the container, evidence of container tampering or does not have solid steel walls all around, container is rejected, doors are shut and container is locked down.
- Containers that have been tampered in some way should not be touched. The supervisor on duty is to be contacted in the event of tampering or suspicion.
- An incident report is completed for all significant issues. In the event of a serious supply chain security issue, Destination Maternity will contact the appropriate government agency. If container passes initial inspection, the doors are shut and container is backed in to the dock space and dock light is turned on.
- Container is unloaded and as it is being unloaded, Destination Maternity employee is still reviewing the container and shipment for anything unusual.

### Security at delivery of EMPTY Trailer/Container to Destination Maternity

- All doors to the trailer/container should be locked and vehicle is parked 50 feet away from the Destination Maternity building.
- Driver enters building through designated door and gives paperwork to Destination Maternity warehouse manager or supervisor.
- **The BOL vendor or customer name, date, driver name, trucking company and purchase order number.** Driver name is matched between the name on the BOL and the driver's Photo Identification.
- Destination Maternity employee walks with driver to container to verify the seal number and tugs on the seal to ensure that it is intact.
- Seal number is noted on BOL and confirmed.
- The seal is cut and both parts of the seal are retained, put in a plastic bag and labeled with the dated by Destination Maternity. At day's end, seal is placed in "the seal box" and at month's end, the box will be archived. Seals are kept for 5 years.
- Doors are opened and container is inspected for irregularities by an **8-point inspection**:
  1. Ceiling
  2. Floor
  3. Walls
  4. Doors
  5. Inside Hinges
  6. Outside Hinges
  7. Undercarriage (chassis)
  8. Head of container including all seams, vents and blocks

# SECTION 9 - LOGISTICS

## DM Internal Security Procedures

- If a container has any type of trash, substance, dirt, writing inside the container, evidence of container tampering or does not have solid steel walls all around, container is rejected, doors are shut and container is locked down.
- Containers that have been tampered in some way should not be touched. The supervisor on duty is to be contacted in the event of tampering or suspicion
- An incident report is completed for all significant issues. In the event of a serious supply chain security issue, Destination Maternity will contact the appropriate government agency
- If container passes initial inspection, the doors are shut and container is backed in to the dock space and dock light is turned on.

# SECTION 9 - LOGISTICS

## U.S. Customs C-TPAT Requirements

### U.S Customs C-TPAT

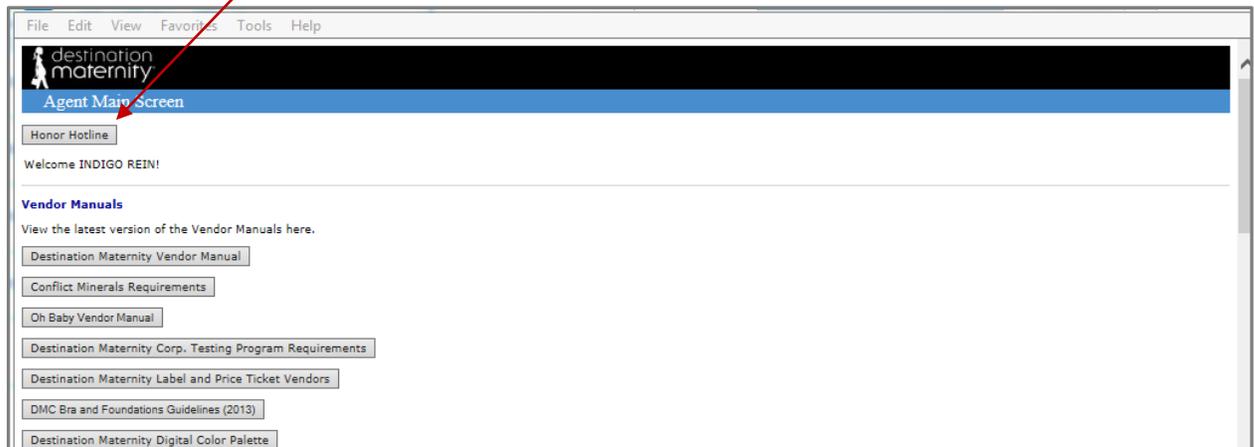
<b>C-TPAT Requirements</b>	
<b>Business Partners</b>	Written and verifiable processes must be in place for the screening and selection of business partners, including foreign consolidators, customers, contractors, carriers, and vendors, as appropriate. Participants must ensure that contract companies who provide transportation, security, and cargo handling related services commit to C-TPAT security guidelines
<b>Physical Access</b>	Participants must have physical access controls that include the positive identification of all employees, visitors, and vendors at all points of entry.
<b>Personnel</b>	Processes must be in place to screen prospective employees and periodically check current employees. A current permanent employee list (foreign and domestic) must be maintained, including name, date of birth, national identification number or social security number, and position held.
<b>Procedures</b>	Security measures must be in place to ensure the integrity and security of processes relevant to the transportation, handling, and storage of cargo in the supply chain, including documentation processing, manifesting procedures, shipping and receiving, and cargo discrepancies. <b>Security Training and Threat Awareness</b> - A program should be established and maintained to foster awareness of terrorist threats at each point in the supply chain and inform employees of reporting and response procedures.
<b>Physical Security</b>	Physical security guidelines regarding fencing, gates, parking, building structures, locking devices, and key controls, lighting, and alarm systems and video surveillance cameras should be incorporated throughout participants' facilities as applicable.
<b>Information Technology</b>	Information technology integrity, including through password protection and accountability, must be maintained to protect data from unauthorized access or manipulation.
<b>Conveyances</b>	For carriers, conveyance security procedures must include the physical search of all readily accessible areas, securing all internal/external compartments and panels, and reporting cases in which non-manifested materials or signs of tampering are discovered. Manufacturers must ensure that carriers have such procedures in place by conducting documented conveyance inspections and management verifications. They must also ensure that carriers have conveyance tracking and monitoring procedures and that carrier management conducts random verifications that these procedures are being followed.
<b>Containers</b>	Carriers, manufacturers, and consolidators must ensure that at point of stuffing, procedures are in place to verify that cargo containers are properly secured. A high-security seal must be affixed to all loaded containers bound for the US, and all seals must meet or exceed the current PAS ISO 17712 standards for high-security seals. A seven-point inspection process for containers is outlined.

# SECTION 9 - LOGISTICS

## Honor Hotline

As advised previously in Section 1, Destination Maternity has an established Honor Hotline that is a core element of BEST PRACTICES for our Supply Chain Security Program. Please report to Destination Maternity all perceived problems without fear of retribution. All information will remain confidential and anonymous.

- The International HOTLINE phone number: 001-888-994-6667 or 1-888-99HONOR
- The HOTLINE is a toll-free international phone number that is available to all agents, service providers, vendors, and employees. The telephone line and email is available 24 hours a day, 365 days a year. This is an effective line of communication to receive complaints or questions.
- This ANONYMOUS communication system is also available on the web at our **World Wide on Time** (wwot.destcorp.com) web-site and there is a **HOTLINE** button at the top of each screen for ANONYMOUS email communication to Destination Maternity.



- HOTLINE Topics can include:
  - Violations of Local or Foreign Regulations or Laws
  - Fraud
  - Theft and Embezzlement
  - Discrimination and Abusive Practice
  - Safety/Health Violations
  - Bribery/Kickback
  - Improper Billing
  - Packing Concerns
  - Cargo Security
  - Collaboration or Collusion
  - Documentation Non-Compliance

*\*A written report of each call is documented and forwarded to the appropriate department for review.*