



Supply Chain – Process Review

September 24, 2024

Accelerating business capabilities & speed to value

Minimizing risk – Reducing cost – Building efficiency

Please review that data in this document – we will continue to focus on alignment in each area but we want to be transparent in every part of the discussion related to this complex topic.

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Max Blake – Systems Engineer

<https://www.wwt.com/video/culture-of-innovation>



**World Wide
Technology**

Make a new world happen

SCOPING – we will cover gaps in 10/1 & 10/4 Sessions

Global Country List

- Confirm list of FedEx countries – if possible, include current FedEx end-location address
- Map countries to appropriate WWT integration center
- Evaluate cross border requirements for each mapping

FedEx Global Network Inventory

- Inventory data by location
- Device data – serial #, model type, original purchase date, EoL/EoS date, manufacturing origin country, export country, current country location, estimated value

Teams to engage:

- Shipping logistics
- Trade Compliance
- Global Tax
- Global Accounting/Finance
- Global local SMEs – EMEA, APAC, LATAM, etc.

TARIFF IMPLICATIONS – Need2Know Data

Returns to WWT North America (NAIC) and Europe (EIC) integration centers

- Duties/Tariffs/VAT are not applicable as long as the goods originally exported from EU or US: 1) are being returned within 3 years of initial export, and 2) value of product hasn't increased.
- For RevLog, there must be a clear connection to the original export.
- All information, including the declarations from the current product country Exporter of Record (EoR) and Netherlands Importer of Record (IoR), or US IoR, would need to be gathered to initiate the return.

Returns to AIC-S

- Duties and Taxes would need to be paid at time of import
- Customer may make a claim of refund to customs if they can prove:
 - They were EoR when the goods were originally exported
 - The items were short-shipped or defective with support documents (refund / seller's CR note, AWB, CI, etc.)

Base Taxes (estimates, but further validation needed)

- UK – 20%
- EIC – 21%
- AIC - India – 40+%
- AIC – Singapore – 9%
- US – based on Harmonized Tariff Schedule (HTS) and Export Classification Control Number (ECCN) association, further validation needed

ADDITIONAL COST CONSIDERATIONS – NEED2KNOW DATA

Collection and Transportation

- Re-packaging – equipment will require appropriate packaging to maintain viability for re-use
- Shipping – schedule, pick-up and return from field location to appropriate WWT integration center

Cross Border Processing

- Additional steps for customs clearance, international regulatory compliance, and logistics coordination
- Exporter of Record (EoR) – \$500 base fee, plus 10% of value of product estimated
- Importer of Record (IoR) – \$500 base fee, plus 10% of value of product estimated

Documentation and Reporting

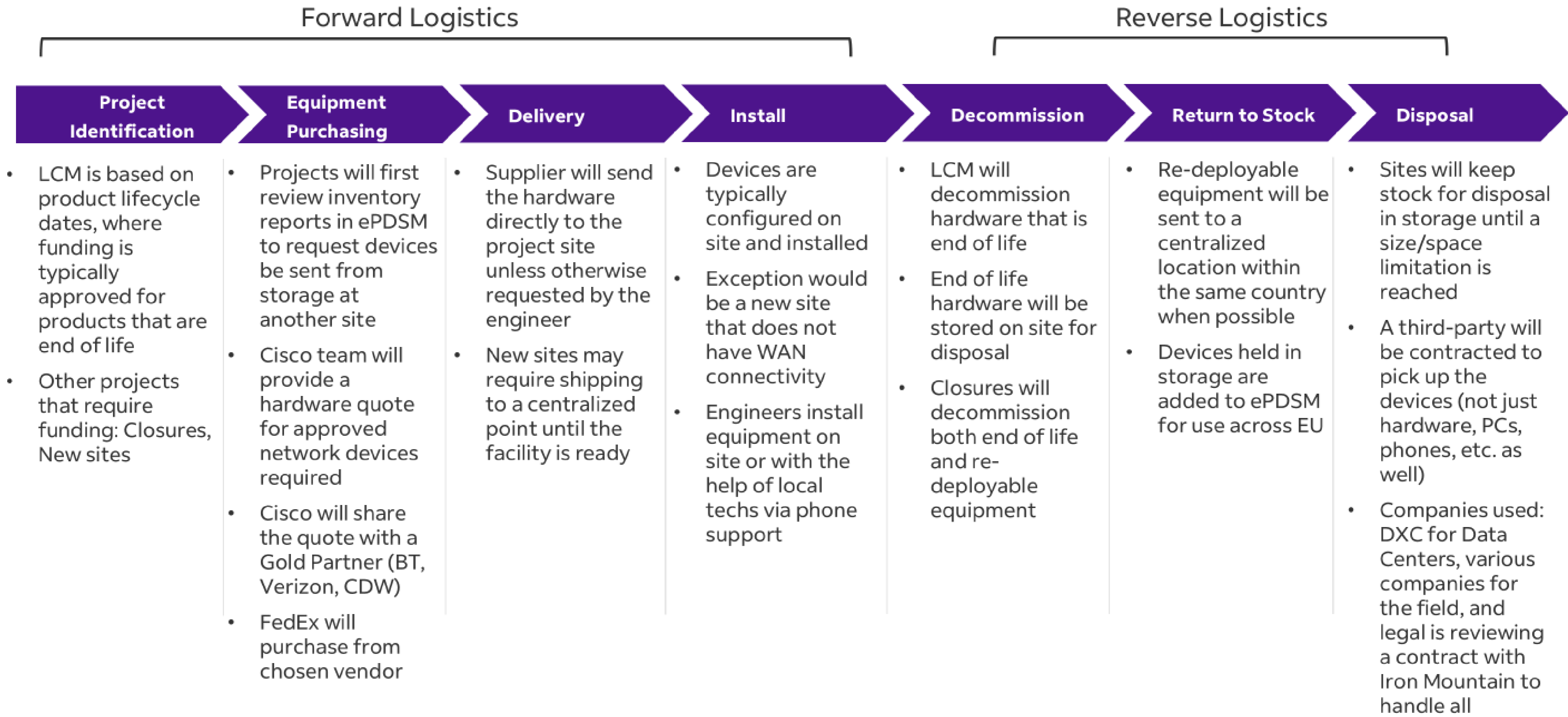
- Coordination of finance, tax and logistics teams needed for international regulatory compliance
- Intra EU Community Supply – FedEx will have to self-report movement of goods, but tariffs will not apply when equipment is moved within EU boundaries

Forward Logistics of FedEx-owned equipment – details TBD

Insurance for FedEx-owned equipment – details TBD

GLOBAL SUPPLY CHAIN PROCESS – FEDEX (Current State)

Process Flow – Current State - EU



GLOBAL REVLOG PROCESS – Return to WWT

Step	Process	Owner
1	Un-install device at customer location	FedEx
2	Determine appropriate disposition: 1) return to WWT, 2) inventory or dispose/recycle locally	FedEx
3	Initiate return - notify WWT of inbound equipment using Customer Inventory Form	FedEx
4	Properly package to prevent damage	FedEx
5	Capture shipping documentation - packing list, device type/usage, estimated value, certificate of origin, etc.	FedEx
6	Validate trade compliance - confirm adherence to individual country and international regulations	FedEx
7	Coordinate return shipment - schedule shipment, request/apply return label	FedEx
8	Shipment tracking - FedEx to share package tracking number with WWT for visibility	FedEx
9	Exporter of record (EoR) - export licensing, export declarations, estimated device valuation, etc.	FedEx
10	Importer of record (IoR) - import licensing, import declarations, estimate device valuation, etc.	FedEx

Step	Process	Owner
11	Duties and taxes - GST, VAT, tariffs, etc. assessed prior to release of goods	FedEx
12	Inspection verification - completed by customs prior to release of goods	FedEx
13	Release of shipment - customs process completed, goods available for continued shipment	FedEx
14	Shipping delivery to WWT	FedEx
15	Internal finance, accounting, tax updates as needed	FedEx
16	Receive equipment at WWT	WWT
17	Triage equipment: 1) return to stock, 2) disposal	WWT
18	Evaluate and properly re-pack as needed	WWT
19	Return to stock, update date inventory and tracking	WWT
20	Disposal / recycling - consolidate equipment, coordinate with 3rd party ITAD partner	FedEx / WWT

GLOBAL REVLOG PROCESS – Call out to FedEx

Step	Process	Owner
21	Device call out - FedEx to issue request to WWT. FedEx used equipment to be used as FIFO, or as directed by FedEx.	FedEx
22	Green light testing - Upon call out, basic testing performed; this is not full technical validation of device functionality.	WWT
23	Capture shipping documentation - packing list, device type/usage, estimated value, certificate of origin, etc.	WWT / FedEx
24	Validate trade compliance - confirm adherence to individual country and international regulations	FedEx
25	Coordinate return shipment - schedule shipment, request/apply return label	WWT / FedEx
26	Shipment tracking - FedEx to share package tracking number with WWT for visibility	FedEx

Step	Process	Owner
27	Exporter of record (EoR) - export licensing, export declarations, estimated device valuation, etc.	FedEx
28	Importer of record (IoR) - import licensing, import declarations, estimate device valuation, etc.	FedEx
29	Duties and taxes - GST, VAT, tariffs, etc. assessed prior to release of goods	FedEx
30	Inspection verification - completed by customs prior to release of goods	FedEx
31	Release of shipment - customs process completed, goods available for continued shipment	FedEx
32	Shipping delivery to FedEx target location	FedEx
33	Internal finance, accounting, tax updates as needed	FedEx
34	Receive equipment at FedEx target location	FedEx