



This manual has been created to assist our suppliers in understanding the purchasing expectations and quality requirements for all supplies to OETIKER. The manual is also a tool to assist OETIKER in complying with the IATF 16949 and to develop our suppliers.

The purpose of this Supplier Manual is to define the minimum requirements for all supplies. All suppliers shall be obliged to fulfil the requirements defined in this manual.

In addition, local Quality Agreements and Supplier Manuals can occur. They have complementary character.

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## 1. General

- 1.1 The provisions of this supplier manual, hereinafter the Manual, shall apply to all current and future purchase agreements between OETIKER and the supplier. The Manual's provisions will be considered as a supplement to the requirements defined in the purchase order, OETIKER's purchase terms and conditions and any additional requirements as determined by OETIKER.
- 1.2 On new projects, OETIKER may request changes or additions to this document, which must be approved by the supplier.
- 1.3 It is the responsibility of the supplier to make products and provide services that meet the requirements of OETIKER and its customers. The supplier is further responsible for the quality of the products provided by their sub-suppliers and ensuring that they adhere to the same quality requirements to which the supplier is obligated.
- 1.4 It is the supplier's responsibility to inform OETIKER of any change to the status of an approved quality or environmental certification and to provide proof of new or updated certification upon receipt from an approval body.
- 1.5 The Manual is of unlimited duration. OETIKER shall dully notify in writing to the supplier the latest released version of the Manual. Any updates of the Manual will be notified electronically if there are any substantial revisions. Failure to maintain the Manual with OETIKER may result in the supplier being blocked for existing and future business and /or removed from the approved supplier listing
- 1.6 The supplier and OETIKER shall keep all details of any communication, verbal or written, confidential.
- 1.7 The supplier and OETIKER shall comply at all times with the data protection legislation applicable and shall not perform any obligation under this Manual in such a way as to breach any obligations under data protection legislation

## 2. Supplier Categories

Given by the impact of the influences to product and services that OETIKER is providing to the customers we categorize the supplier in three groups:

- DIRECT SUPPLIERS.
- INDIRECT SUPPLIERS.
- SERVICE SUPPLIERS.

This allow us to identify and mitigate risks.

This supplier manual is valid only for category INDIRECT SUPPLIERS.



### **3. Supplier Selection**

To get an approved OETIKER supplier status, the candidate must pass the following selection process:

- Self-assessment
- Supplier manual agreement
- Acceptance of the ordering specifications

Further on-site audits or Non Disclosure Agreement (NDA) may be also needed.

### **4. Auditing and Verification**

OETIKER and its customers reserve the right to examine, evaluate and audit the processes and quality assurance measures of the supplier and its sub-suppliers at any time, with advanced notification.

The supplier commits itself to provide requested information and self-assessments promptly. Renewed management certifications must be send without request to your purchasing contact.

### **5. Change Management**

The supplier must give an advanced notice to OETIKER for any proposed change to the supply chain, the product, the production processes, the manufacturing location and/or the warehouse location that might affect the products supplied. Oetiker approval for proposed change is needed before products are dispatched.

### **6. Delivery and Transport**

- 6.1 OETIKER expects a delivery performance (quality, on-time and quantity) which is in accordance to OETIKER's schedules. We expect the order confirmation to present the day of delivery, if week is presented in your OC we will consider the first day (Monday) as the day for the confirmed delivery.
- 6.2 The supplier must track, document and report on all instances of premium transport used for product(s) delivered to OETIKER.
- 6.3 Delivery must be in accordance with OETIKER's normal receiving hours, unless otherwise agreed. Information must accompany each delivery to identify the supplier, the product(s) and quantities, the reference/order number, and hazardous material or environmental notification. OETIKER may specify additional requirements previously agreed with the supplier.

- 6.4 Packaging must be sufficient and according to the agreed specifications to ensure no damage to the product(s).
- 6.5 Early warning and deviation permits: the supplier shall notify OETIKER of any significant deviation of the process, products, packaging from their internally defined quality requirements and parameters. Such a notification must be sent in advance and fully detailed with potentially affected deliveries and describe potential consequences of the deviation.
- 6.6 For tools and spare part suppliers documents like dimensional report, raw material certificate and heat treatment certificate could be required to be attached with every delivery.

## **7. Supplier Evaluation and Escalation Process**

- 7.1 The supplier is expected to maintain a production and quality system to provide zero defects culture. In order to achieve the target of zero defects, the supplier shall have an active continuous improvement program in place.
- 7.2 All suppliers will be assessed according to our supplier evaluation process in order to ensure conformity of externally provided products, processes & services to internal & external customer requirements.
- 7.3 The following indicators will be monitored:
  - a) Delivered product conformity to requirements, named as SQD
  - b) Customer disruptions caused by suppliers, named as SCD
  - c) Delivery schedule performance, named as SDP
  - d) Number of occurrences of premium freight, named as SPF
- 7.4 The supplier will be rated for each indicator by an A-, B- or C-classification.
- 7.5 Reaching B- and/or C-classification can initiate an escalation process to improve the supplier performance. The supplier should support the OETIKER defined escalation steps.

## **8. Corrective Action**

- 8.1 Upon notification from OETIKER of a concern or defect, the supplier must respond with written documentation indicating containment actions taken to avoid further defects from reaching OETIKER. This must be provided within 24 hours of notification (counted

- on working days). The supplier shall use suitable problem-solving techniques in 8D or similar format. First root cause analysis and actions must be shown within 5 days.
- 8.2 If the supplier is liable for the defect products, the supplier must arrange immediately actions for collection and replacement of defective products or arrange actions for sorting or reworking at a location specified by OETIKER.
- 8.3 Should the supplier fail to respond adequate within 24 hours (counted on working days), OETIKER will take appropriate measures to ensure production is not jeopardized. All actions will be documented and costs tracked (see "10 Failure Costs" below).
- 8.4 The supplier must update the 8D (or similar) document regarding the identification of the root cause(s), actions taken to prevent recurrence, and verification that the actions have been effective. OETIKER has to be informed on a regular base until the issue is closed.
- 8.5 Oetiker concern will be deemed as closed with an official closing confirmation is sent to supplier.
- 8.6 OETIKER reserves the right for an escalation audit on a management level upon reasonable prior notice to the supplier, and during regular business hours at supplier's offices and shall not interfere unreasonably with the Supplier's business activities, if:
- The supplier is not following the requirements regarding "Supplier deviation notification".
  - The supplier makes any changes in the supply chain, the product, the production processes, the manufacturing location and/or the warehouse location without the approval from OETIKER whenever these changes affect the products supplied.
  - Improper quality performance as a result of unstable internal or external processes

## **9. Containment Actions and Failure Costs**

- 9.1 In the event the defective product is found, OETIKER will take reasonable actions necessary to maintain production at OETIKER or customer location(s). All costs incurred will be documented and may include, but is not limited to, inspection, premium freight, and travel and expenses to and from customer sites. All or some of the costs incurred may be charged to the supplier (the costs could be covered by an insurance-solution, which is limited to a defined level).
- 9.2 If reasonable, subsequent deliveries must be inspected at supplier cost, until effectiveness of corrective actions can be ensured. The evidence has to been shown for an adequate and from OETIKER approved quantity and period.
- 9.3 Inspected parts must be suitably identified with sort labels.

## 10. Documentation

The supplier and their sub-suppliers must keep quality records on file to ensure 100% traceability of products back to the date of manufacture or receipt. OETIKER will specify the required data and retention period. If no date is specified, the documentation must be kept for at least 10 years. The supplier must make these available on request by OETIKER or the customer.

## 11. Testing and Inspection by OETIKER

OETIKER reserves the right to participate in tests and inspections carried out by the supplier and their sub-suppliers, to have inspections observed by an authorized third person, and to carry out inspections of products and system from the supplier, if deemed necessary.

## 12. Regulatory and Statutory Requirements

- 12.1 The supplier must ensure that products and services delivered comply with all relevant regulatory requirements on occupational and public health and safety as well as environmental protection in both: the country of manufacture as well as in the country of sale. Supplier must ensure that all statutory and regulatory requirements are passed on to the complete supply chain.
- 12.2 The supplier must provide all regulatory required documentation for the products and services delivered (e.g.: safety data sheets; marking and labeling of hazardous materials; machines safety conformity declarations associated with operation manual and technical file; etc.) in the languages available from the supplier.
- 12.3 OETIKER expects the supplier to perform its manufacturing and other activities in compliance with all relevant health, safety, environmental & sustainability regulatory requirements. The supplier is committed to acting in accordance with all applicable laws and conducting their business in a socially and environmentally responsible manner with the highest degree of integrity.
- 12.4 OETIKER would encourage that the supplier establishes and maintains an environmental management system in accordance with ISO 14001 or equivalent. At least, environmental procedures should be in place covering the manufacture and delivery (e.g. durable, recyclable packaging) of the products or services in question.
- 12.5 The European End-of-Life-Vehicles Directive 2000/53/EC (ELV) that was entered into force on October 21, 2000, imposes specific rules for materials used in cars. All suppliers of OETIKER are responsible to ensure that materials and components supplied to OETIKER are in compliance with the ELV-Directive and its latest valid version of the related Annex II to the European Commission Decision. The supplier need to inform OETIKER about the contents of every part deliver to OETIKER through the IMDS. OETIKER suppliers must be registered as an IMDS user and are required to report the contents of the products they supply to OETIKER in the IMDS under the respective IMDS ID Number Refer to the following link for more information about IMDS:

<http://www.mdssystem.com> Liability rests with the supplier in the event of that components being supplied to OETIKER do not conform to the relevant statutory requirements.

- 12.6 All suppliers who are supplying materials must confirm their compliance related to the requirements of European Union regulation (EC) 1907/2006 concerning the Registration, Evaluation, Authorization and restriction of Chemicals (REACH) and also the 'CLP Regulation' in the EU, the classification and labelling of hazardous chemicals is governed by Regulation (EC) No 1272/2008 on classification, labelling and packaging of substances and mixtures. Suppliers are responsible for securing REACH authorizations for continued use of any materials or preparations contained in REACH Annex XIV listed substances latest revision and to ensure that OETIKER "use activity" is contained in the authorization. The complete candidate list of substance which require authorization can be found at <http://echa.europa.eu/web/guest/candidate-list-table> and is frequently updated. It is the supplier's responsibility to monitor this list and keep track of any additional substance that may be added.
- 12.7 Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act requires a prior audit and information obligations for companies whose products contain minerals called "conflict minerals" from Central Africa. OETIKER requires that each of its suppliers' supply chains provide the necessary information on conflict minerals contained in the products purchased by our company. Each OETIKER material supplier must fill out a "Conflict Minerals Report Template" questionnaire created by the EICC (Electronic Industry Citizenship Coalition) and GeSI (Global e-Sustainability Initiative). This questionnaire shall be completed annually and is available at <http://www.conflictreesourcing.org/conflict-minerals-reporting-template/>
- 12.8 In relation to the legal requirements established by the European Community regarding restrictions on the use of certain Hazardous substances RoHS Directive 2015/863/UE RoHS 3 the supplier is in compliance to the EU Directive 2015/863, therefore the article/s provided by them do not contain Pb, Cd, Hg, Cr VI, PBB, PBDE, DEHP, BBP, DBP & DIBP.
- 12.9 In the case of wooden pallets or containers with phytosanitary treatment, the supplier ensures that NIMP-15 specification is respected for the entire supply chain.

### 13. Contingency Plan

Suppliers shall develop a contingency plan for potential catastrophes disrupting product flow to OETIKER and advise OETIKER at the earliest in the event of an actual disaster. In an actual catastrophe, suppliers shall provide access to the OETIKER tools and/or their replacements.



**14. Agreement to Comply**

As an authorized representative of the supplier, I certify that supplier agrees to comply with and adhere to this revision of the supplier manual.

**Supplier name**

**Product liability Insurance**

Insurance name/ Policy no. \_\_\_\_\_

Insured coverages \_\_\_\_\_

**Address**

Street \_\_\_\_\_

Zip code \_\_\_\_\_

City \_\_\_\_\_

Date \_\_\_\_\_

Printed Name \_\_\_\_\_

Title of Signatory \_\_\_\_\_

Signature \_\_\_\_\_

Do not fill out this section- only for internal use

**Release of confirmed supplier manual (please confirm with dates & initials)**

Declined

Accepted

Purchasing \_\_\_\_\_

Declined

Accepted

Category Manager \_\_\_\_\_

Comment: \_\_\_\_\_

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