

# Supplier Manual



## Supplier guidelines for an effective partnership

Eichenauer Heizelemente GmbH & Co. KG  
Industriestraße 1  
D-76770 Hatzenbühl  
[www.eichenauer.de](http://www.eichenauer.de)

# Supplier Manual



<b>Contents</b>	<b>Page</b>
<b>1. Basics of communication and cooperation</b> .....	<b>6</b>
1.1. Confidentiality agreement .....	6
1.2. Enquiries .....	6
1.3. Supplier selection .....	6
1.4. Supplier self-assessment .....	6
1.5. Purchasing process.....	7
1.6. Tool orders.....	7
1.7. Scrapping.....	7
1.8. Terms of delivery .....	7
1.9. Trouble management.....	7
1.10. Delivery performance .....	8
<b>2. Order processing</b> .....	<b>9</b>
2.1. Framework agreements, delivery schedules .....	9
2.2. Order acceptance.....	9
2.3. Transmission of information .....	9
2.4. Procurement concept .....	9
2.5. Production and material release .....	10
<b>3. Packaging</b> .....	<b>11</b>
3.1. Definition of packaging.....	11
3.2. Packaging changes.....	11
3.3. Disposable packaging .....	12
3.4. Reusable packaging .....	13
3.4.1 Standard load carriers at Eichenauer .....	13
3.4.2 Special load carriers .....	13
3.4.3 Procurement of load carriers.....	14
3.4.4 Special load carriers .....	14

# Supplier Manual



3.4.4.1	Eichenauer special load carriers.....	14
3.4.4.2	Special load carriers of the supplier.....	14
3.4.5	Load carrier management.....	14
3.4.6	Provision of load carriers.....	14
3.4.7	Storage, repair and replacement.....	15
3.4.8	Cleaning of load carriers.....	15
<b>4.</b>	<b>Transport and labelling (identification).....</b>	<b>16</b>
<b>4.1.</b>	<b>Special trips.....</b>	<b>16</b>
<b>4.2.</b>	<b>Grouping of shipping units.....</b>	<b>16</b>
<b>4.3.</b>	<b>Package processing.....</b>	<b>16</b>
<b>4.4.</b>	<b>General delivery instructions.....</b>	<b>17</b>
<b>4.5.</b>	<b>Labelling of shipping units.....</b>	<b>18</b>
4.5.1	Types of labelling.....	18
4.5.2	Format and attachment / Reinforcement.....	18
<b>4.6.</b>	<b>Shipment declaration.....</b>	<b>19</b>
<b>4.7.</b>	<b>Transport documents.....</b>	<b>20</b>
4.7.1	Delivery note and transport order.....	20
4.7.2	Customs documents.....	20
4.7.3	Security in the movement of goods.....	20
<b>5.</b>	<b>Quality assurance agreement.....</b>	<b>21</b>
<b>5.1.</b>	<b>Quality management.....</b>	<b>21</b>
<b>5.2.</b>	<b>Quality planning.....</b>	<b>21</b>
<b>5.3.</b>	<b>Control of non-conforming products.....</b>	<b>21</b>
<b>5.4.</b>	<b>Complaint costs.....</b>	<b>22</b>
<b>5.5.</b>	<b>Supplier evaluation.....</b>	<b>22</b>
<b>5.6.</b>	<b>Quality targets.....</b>	<b>23</b>
<b>5.7.</b>	<b>Insurance.....</b>	<b>23</b>

# Supplier Manual



<b>6.</b>	<b>Quality assurance at the supplier .....</b>	<b>24</b>
6.1.	General requirements for QM systems operated by our suppliers .....	24
6.2.	Quality management systems for subcontractors .....	24
6.3.	Audits .....	24
6.4.	Information about process changes .....	25
6.5.	Traceability.....	25
6.6.	Archiving.....	25
6.7.	Statutory requirements.....	25
6.8.	Sampling .....	25
6.9.	Quality certification.....	27
6.10.	Incoming goods management .....	27
6.11.	Use/monitoring of test equipment .....	27
<b>7.</b>	<b>Error handling – Measures to be implemented by the supplier .....</b>	<b>28</b>
7.1.	Non-conformities and corrective measures .....	28
7.2.	Correction and problem solving .....	28
7.3.	Documentation and supplementary instructions.....	29
7.4.	Product-related environmental protection (IMDS / Reach / RoHS).....	29
7.5.	Statutory regulations .....	29
<b>8.</b>	<b>Applicable documents, forms, literature.....</b>	<b>30</b>

# Supplier Manual



## Foreword

“Quality is our principle, progress our tradition!” (the Eichenauer principle)

Our suppliers help us to live up to our motto and thus ensure we offer outstanding products and services to our customers. Our common goal is “zero defects” in the areas of quality and logistics.

This supplier manual aims to lay the foundations for an extension of our successful cooperation.

Professional supply chain partners are the key to securing and maintaining our leading position in a fiercely competitive market. Continuous improvement and the desire to innovate lie at the heart of the successful long-term partnership between Eichenauer and its suppliers.

Mutual trust and partnership are essential if we are to achieve the goals of the magic triangle in purchasing (costs, quality, time) for the economic benefit of both parties. That is why we work tirelessly to communicate in an open dialogue with our suppliers.

The regulations described in these guidelines in no way release the supplier from his responsibility for ensuring faultless and functional manufacturing and delivery of the products as specified in the order.



Dr. Manfred Stoll  
Managing Director



Kerstin Stoll  
Managing Director

## 1. Basics of communication and cooperation

Communication between Eichenauer and its suppliers forms the basis for an effective partnership. Both parties must inform the other immediately and without prompting whenever any matters arise which could affect the supply relationship. Both must observe the terms of their agreements and work to achieve the goals described therein.

For enquiries, we recommend that our suppliers create a separate email address which can be opened by several persons in the event of staff holidays or a deputy taking over temporary responsibility. Changes relating to our contact person should be reported to Eichenauer immediately to ensure smooth channels of communication.

### 1.1. Confidentiality agreement

Our company philosophy is to maintain an open and constructive relationship with our suppliers. We must therefore ensure that our know-how, or the know-how we have developed together, is not communicated to third parties. We assume that our business partners, as a matter of policy, do not pass on any information or data. However, as a precaution, we insist that our suppliers sign a confidentiality agreement.

### 1.2. Enquiries

Eichenauer sends its enquiries mainly by email. Enquiry data and drawings can be transferred via Odette. To do this, it is necessary to establish a suitable data connection. The supplier must agree the required Odette parameters with the responsible purchaser or project manager. The supplier must independently obtain the necessary standards, guidelines and directives (DIN, EN, ISO, VDA, etc.) which are referenced in the enquiry. The supplier undertakes to ensure that these documents are kept up-to-date at regular intervals. Before submitting an offer, the supplier must perform a manufacturability assessment which takes into account its technical capabilities and available capacities. Please state technical, qualitative and other possible improvements or problems in the offer or discuss them with the responsible purchaser. Constructive proposals are judged positively in the supplier assessment. Please submit an offer for the requested batch sizes. You are welcome to list your own proposals separately. The punctuality of the submitted offers is included in the supplier evaluation. Offers are binding and not remunerated. Costs and expenses of any kind incurred by the supplier during the preparation of the offer, in particular due to planning, support, travel, will not be reimbursed or refunded.

### 1.3. Supplier selection

Suppliers of products or services can only be selected from the list of approved suppliers.

### 1.4. Supplier self-assessment

New suppliers must already have been approved for the commercial enquiry by Eichenauer. As part of the approval process, you will receive a supplier self-assessment questionnaire in which we request more detailed information about the contact person, size of your company, and its quality management system etc. Please return this to us signed by the responsible persons.

## 1.5. Purchasing process

At Eichenauer, orders are always placed in writing. Our General Terms and Conditions of Purchase provide the basis for all our orders and contracts. Orders, statements and delivery schedules, as well as changes and supplements to such, must be provided in writing. Orders and delivery schedules can also be made by data transfer or fax.

## 1.6. Tool orders

The tool order states the part number, price and delivery date or tool completion date. In addition, a tool contract is agreed. This regulates the rights and obligations of the manufacturer and the owner in detail. Please sign it and return it to us within one week.

## 1.7. Scrapping

The scrapping of part-specific production facilities or parts may take place only with the written consent of Eichenauer – regardless of the ownership situation.

## 1.8. Terms of delivery

Depending on the country of origin, the supplier is obliged to list the following prices separately in his offer. Abbreviations are based on the currently valid Incoterms 2010.

- National suppliers (EXW and DAP)
- European suppliers (EXW and DAP)
- Third country suppliers (EXW and DDP)

## 1.9. Trouble management

If faults occur which affect the date or quantity of the delivery to Eichenauer, the supplier must take appropriate measures. If, despite the measures taken, it becomes apparent that the supplier is unable to meet the relevant agreements or promises, he must immediately inform his contact at Eichenauer without prompting and notify him of a new delivery date or a new delivery quantity.

In addition, the supplier must answer the following questions upon request:

- Cause of the supply problem
- Production capacities for the outstanding parts and the underlying machine operation times and working hours (hours per working day, working days per week)
- Alternative manufacturing options available (always in accordance with quality requirements)
- Alternative parts available (always in accordance with quality requirements)
- Check for batch splitting/partial delivery
- Options for bringing forward the delivery time by using special transports
- Information/escalation within the supplier's organisation

If no mutually agreeable solution can be found, the supplier must refer the problem to higher tiers of its management structure up to and including the executive management.

## 1.10. Delivery performance

Upon request by Eichenauer, the supplier is obliged to provide details of his delivery performance for the following parameters (delivery fulfilment, special transports).

1. *Delivery fulfilment*

The supplier must have a system for tracking and measuring delivery fulfilment (date and quantity) in relation to the order data. This information must be recorded on at least a monthly basis.

2. *Special transports*

Special transports (for example, special trips, flights) are transports which deviate from the agreed standard processes. They can be used to reduce transit times and are carried out in addition to regular transports. At least once a month, suppliers must record the special trips for which they are responsible (at least number, additional freight costs, cause) and make these available on request.



## 2. Order processing

### 2.1. Framework agreements, delivery schedules

A and B suppliers receive a non-binding preview of blanket contracts (quantity/time contracts). Based on this, and assuming a smoothed weekly supply rate (incl. fluctuations in the range of up to +/- 15%), suppliers must ensure that

- their production capacity is sufficient to handle the specified volume and
- their suppliers are able to supply the corresponding precursor materials.

If no contrary agreement regarding the material and production release is stipulated in the delivery contract, the following obligations and rights apply for products covered by a valid blanket contract:

- The supplier must hold a minimum stock of finished parts for a range of up to 10 working days (this must already be defined in the project) (assumption: smoothed supply rate as stated in the blanket contract)
- Eichenauer undertakes to purchase this minimum stock from the supplier
- In order to prevent uncertainty in the areas of demand, supply and stocks, the supplier must produce a reserve stock in agreement with Eichenauer

### 2.2. Order acceptance

The dates stated in the delivery schedule are the dates for the receipt of the goods by Eichenauer. Any deviating provisions must be agreed separately. The supplier is obliged to check the received delivery schedule for completeness, correctness and plausibility (e.g. name, article number, quantity, date). In the event of any irregularities, the supplier must contact Eichenauer's scheduler immediately. A delivery schedule becomes binding if the supplier does not object within two working days of receiving the schedule. The supplier must inform Eichenauer if he is unable or only partially able to meet the stated requirements. We are entitled to cancel the order if we do not receive the order confirmation from the supplier within two weeks after receiving the order. If the order confirmation deviates from the order, we are only bound to accept delivery of the goods if we agree to the deviating provisions in writing. The acceptance of deliveries, services or payments does not constitute agreement.

### 2.3. Transmission of information

In the supplier's relationship with Eichenauer, the transmission of information via electronic data interchange (EDI) is always the preferred method of communication. Information, e.g. delivery schedules, is thus communicated electronically. As an alternative to the EDI, data may be communicated via email/fax.

### 2.4. Procurement concept

Procurement uses two different control concepts. The first of these is the traditional delivery call-off process. The other is the KANBAN process in which reorders are triggered by consumption. Of these two options, the latter is preferred.

#### Traditional delivery call-off process

Delivery call-offs are transmitted based on a rolling calculation of demand. They are updated regularly and generally include data with a time horizon of at least 3 months. The last delivery call-off is binding and replaces earlier delivery call-offs.

## KANBAN process

Reorders are triggered by the removal/consumption of KANBANs (containers) from production-related supply areas (~~supermarkets~~). This control concept is predominantly used for A and B parts with constant consumption. It is the preferred form of delivery. In KANBAN processing, the information required for the production and material release is also transmitted as a preview. However, only the KANBAN call-off is binding for the delivery. Differences in the process may occur depending on the control concept selected. These are identified in the following section.

## **2.5. Production and material release**

Suppliers are obliged to deliver the ordered products in the agreed quality on the specified date. **Production releases** are legally binding orders for finished products to be delivered on the delivery dates specified in the most recently updated delivery call-off. **Material releases**, in contrast, provide the basis for the acceptance of materials by Eichenauer.

Production and material releases refer to the arrival dates stated in the delivery call-off. The time periods for production and material releases are regulated in the corresponding supply contract. If the agreed releases prove insufficient for maintaining the required delivery capability, the supplier may, in individual cases, request an extension for material releases or additional preview data from his contact at Eichenauer. Demand quantities above and beyond the production and material release are non-binding target figures (preview) to be used for planning production capacities.

## 3. Packaging

### 3.1. Definition of packaging

Packaging must always take account of ecological, economic and qualitative design criteria as well as safety aspects and be agreed between Eichenauer and its suppliers. Compliance with the relevant statutory provisions is mandatory. The supplier must provide appropriate packaging which takes account of the various transport methods and routes and eliminates quality risks associated with moisture, corrosion and contamination. Before series production commences or a first delivery is made, the packaging regulations must be defined in the form of a standardised packaging data sheet (Eichenauer Form No. 112470, see annex). Compliance with the packaging regulations is taken into account in the supplier evaluation.

#### Principles of packaging selection:

- a.) Avoid packaging. Packaging must not be larger or more complex than necessary for the protection of the goods.
- b.) Filling materials must be reduced to a minimum.
- c.) When disposable and reusable packaging are used, recyclable packaging materials must be used and labelled in accordance with the requirements of the waste management industry.
- d.) To ensure loads remain ergonomic for employees, the maximum weight of a packaging unit is 15 kg.
- e.) Where disposable and reusable packaging are economically and qualitatively equivalent, reusable packaging is to be preferred.
- f.) Poolable reusable packaging products (Euro pallets, Euro mesh pallets, VDA-KLT, etc.) are preferable to non-poolable reusable packaging.
- g.) Reusable packaging should conform to standard sizes. Specific designs and other reusable packaging products must be designed in such a way that they can be emptied completely and are easy to clean and dry.
- h.) No cardboard packaging will be accepted for the automotive sector.

*Series delivery may only be made in packaging approved by Eichenauer !!!*

### 3.2. Packaging changes

Changes to packaging of any kind must be reported in writing to the specialist Eichenauer department. After a detailed examination, this department will decide whether to approve the new/changed packaging. When changes are made to parts which result in corresponding changes to the series packaging, the expected costs for changing the packaging (tools, load carriers, etc.) must be stated with the offers for the changes to the parts.

Eichenauer reserves the right to refuse deliveries made without approved packaging or to charge the supplier for the resulting costs (incl. repackaging operations).

### 3.3. Disposable packaging

When disposable packaging is used, the goal is to restrict packaging to the essentials. Naturally, the safety of the product and the quality of the packaging are top priorities. Ideally, disposable packages should be modularly adapted to VDA-KLT (small load carrier) transportation, i.e. the basic dimensions of the Euro pallet must be taken into account when stacking the disposable packaging. However, if possible, the largest unit should not exceed the basic dimensions of 600 mm x 400 mm. All disposable packaging must use environmentally friendly, recyclable materials that are accepted for recycling throughout the country and are not harmful to health. Eichenauer's material recommendations for disposable packaging are therefore as follows:

<u>Type</u>	<u>Approved material</u>	<u>Non-approved material</u>
Plastics	PE, PP (for PE films maximum 5% printed surface area) PE, PP, PS foams PP strapping (Plastics labelled in accordance with DIN 6120)	Plastic compounds, rubber compounds, metal-plastic composite films, incompatible impregnated and VCI films, polyamide and polyester strapping
Cardboard packaging	Must be free from harmful substances used in paper production	With water insoluble coatings or adhesives
Anti-corrosion paper	VCI (volatile corrosion inhibitor) papers which have been proven to be recyclable together with paper/cardboard	Paper with incompatible additives (e.g. bitumen, oil, wax paper)
Wood	Untreated solid and plywood, wood wool	Chipboard, impregnated, coated or varnished wood

For deliveries from third countries, the relevant statutory regulations must be observed, e.g. use of treated wooden pallets. The costs for disposable packaging products and their procurement are always borne by the supplier.

## 3.4. Reusable packaging

In order to achieve and secure our common quality, supply and inventory targets, the following regulations regarding the use of returnable load carriers between Eichenauer and its suppliers must be observed.

### 3.4.1 Standard load carriers at Eichenauer

Eichenauer aims to minimise the number of load carriers used. Only poolable returnable load carriers should be used as these are multifunctional. Currently, the following standard carriers are used in accordance with VDA Recommendation 4500:

Eichenauer Article no.	Container description	Type	Version	External dimensions [ mm ]	Tare weight
20119508	RL-KLT 3147	KLT	PP blue	297 x 198 x 147	0.60 kg
20118691	RL-KLT 4147	KLT	PP blue	396 x 297 x 147	0.90 kg
20121839	RL-KLT 4280	KLT	PP blue	396 x 297 x 280	1.40 kg
20118689	RL-KLT 6280	KLT	PP blue	594 x 396 x 280	2.00 kg
20119511	RL-KLT 6147 ESD	KLT	PPL black	594 x 396 x 147	2.50 kg
20119509	RL-KLT-D 35	KLT lid	PP blue	297 x 198 x 20	0.10 kg
20118692	RL-KLT-D 43 (externally supported)	KLT lid	PP blue	396 x 297 x 20	0.20 kg
20120971	RL-KLT-D 45 (internally supported)	KLT lid	PP blue	396 x 297 x 20	0.20 kg
20121097	RL-KLT-D 65 (internally supported)	KLT lid	PP blue	594 x 396 x 20	0.30 kg
20119510	RL-KLT-D 69 ESD (internally supported)	KLT lid	PPL black	594 x 396 x 20	0.30 kg
201293560000	Plastic pallet	E-826	Grey	1200 x 800 x 150	18.00 kg

KLT = small load carrier

### 3.4.2 Special load carriers

The use of special load carriers is only permitted if standard load carriers cannot be used due to product requirements. These include, for example:

- Self-supporting load carriers
- Other plastic containers, e.g. with inserts, blisters or trays
- Plastic folding pallets suitable for storage in high bay warehouses (1200 x 800 mm)

## 3.4.3 Procurement of load carriers

Unless otherwise agreed, suppliers receive standard load carriers for products in stock over a specified availability period (usually 10 working days) without charge for their use (this calculation is based on future delivery call-offs including stocks in transit). Standard load carriers required for the supplier's internal production processes must be procured by the supplier. In exceptional cases, special regulations must be agreed with Eichenauer in writing.

## 3.4.4 Special load carriers

### 3.4.4.1 Eichenauer special load carriers

Eichenauer special load carriers are procured exclusively by Eichenauer. Special load carriers required for the supplier's internal production processes must be procured by the supplier.

### 3.4.4.2 Special load carriers of the supplier

The supplier is responsible for the procurement of its own special load carriers. The costs for the purchase of special load carriers must also be borne by the supplier, unless included in the part price. The amount of circulation stock required for Eichenauer must be agreed with Eichenauer. The supplier and Eichenauer decide whether Eichenauer should settle its share of these costs via purchase prices or through a one-time payment.

## 3.4.5 Load carrier management

The supplier undertakes to keep accounts for the load carriers. The supplier must reconcile these accounts with Eichenauer at least once a month. Complaints by the supplier must be made in writing to the responsible staff in load carrier management within 14 calendar days. Any relevant documents must be enclosed (copy of delivery note, etc.).

Any defects detected, such as incorrect quantities, contamination or damage to the load carriers, must be documented by both parties immediately upon detection of the defect(s). This documentation must include the delivery note reference, photographic evidence and a brief description. The correspondence must take place between the parties responsible for the load carriers.

Differences in quantity or losses must be settled without delay at the usual replacement value according to the causer pays principle.

## 3.4.6 Provision of load carriers

If the supplier fails to request or procure the packaging in good time (taking into account transport times etc.), he shall bear the additional costs incurred (e.g. freight costs, repackaging costs). The requested empty containers must be provided by Eichenauer free of charge at the defined delivery point. As part of a KANBAN process, a 1:1 exchange of full for empty containers can be agreed between Eichenauer and the supplier.

## 3.4.7 Storage, repair and replacement

The supplier is responsible for storing empty containers correctly after receiving them from the carrier. In particular, this includes protecting empty containers against weather, contamination and damage before, during and after the production process: if contamination occurs during this period, the supplier must clean the empty containers provided by Eichenauer at his own expense. If load carriers are damaged or lost when in the supplier's sphere of liability, replacements must be procured via Eichenauer at the supplier's expense.

## 3.4.8 Cleaning of load carriers

The supplier is obliged to remove invalid adhesive labels etc. from the load carriers. Unless otherwise agreed, Eichenauer must perform regular cleaning of light dust particles from the load carriers. This does not include removal of significant contamination (not light dust particles) caused by improper storage and handling on the part of the supplier. Any subsequent cleaning of such contamination by the supplier must first be agreed with Eichenauer.

## 4. Transport and labelling (identification)

As part of the streamlining process for its storage levels, Eichenauer is also working to optimise its transport relations. Consequently, in the future, processes should be restricted to the following:

a.) Traditional handling via a regional freight forwarder

With the regional freight forwarder concept, the supplier will generally receive a "routing order" from Eichenauer. This authorises the supplier to commission a specified freight forwarder for an upcoming delivery.

b.) Increasing use of "milk runs" (sequential pickup)

With this concept, collection takes place in precisely defined time slots (e.g. several times a day or week). Milk runs are ideal for use with consumption-based controls (e.g. KANBAN), high delivery frequencies and a consistent level of consumption. In many cases, returnable load carriers are also exchanged as part of this concept.

### 4.1. Special trips

Special trips are usually organised by the supplier. The costs of special trips are borne by the causer. If Eichenauer has to bear the costs, the responsible scheduler at Eichenauer must first issue a written declaration of acceptance.

### 4.2. Grouping of shipping units

If a supplier has to deliver several products to Eichenauer, the supplier is requested to group the various call-offs in consultation with the Eichenauer scheduler.

### 4.3. Package processing

Packages up to max. 31.5 kg and smaller than parcel services' maximum belt dimensions are generally handled by the specified parcel services.



## 4.4. General delivery instructions

Unless otherwise stipulated in a special packaging instruction, the supplier must always comply with the basic regulations for deliveries to Eichenauer:

- Pallets must comply with the basic dimensions.
- Protrusions and projections must be avoided.
- Shipping units must be packed safely and securely.
- Packages must be packed according to type.
- Products with different revision levels must not be combined in a single package.
- Packages must be joined to form a unit which is safe for transportation on the shipping unit.
- At least the containers of the uppermost layer must be closed with a lid.
- Any label pockets provided must be used.
- Transport labels must be attached to reusable packaging using easily removable, residue-free glue dots or adhesive tape. The sticking of transport labels on reusable packaging is prohibited.
- Pallets, mesh pallets and other containers must be inspected to ensure they are in perfect condition.
- The packaging must be clean.
- The goods must be identified by a scanner-compatible label.
- Compliance with site-specific cleanliness standards and conditions in delivery and manufacturing areas is mandatory.
- Special requirements apply to electrostatically sensitive components.
- In the case of non-homogeneous shipping units (mixed containers), the supplier must ensure that the transport packaging is marked as a "mixed consignment".
- Generally, deliveries must comply with the agreed packaging specifications (if agreed) (packaging data sheet, see annex)

## 4.5. Labelling of shipping units

By labelling all packaging and transport units, Eichenauer aims to reduce the costs associated with marking, searching and weighing operations to a necessary minimum or eliminate them entirely. All items that interfere with the correct scanning or reading of transport labels, such as cords, loose paper/cardboard etc., must be removed before transferring the shipping unit to the freight forwarder.

### 4.5.1 Types of labelling

The supplier must identify all shipping units using master labels. The master label must include the following minimum information:

- Eichenauer article number
- Total quantity
- Valid drawing number with index (if available)
- Name of supplier + supplier number

The smallest packaging units (single labels) must always be marked with a bar code identification. All bar codes must be provided in Code 39 and contain the following information:

- Eichenauer article number.
- Quantity per packaging unit
- Name of supplier + supplier number
- Valid drawing number with index (if available)
- Batch identification

The master labels and, if necessary, the secondary goods labels must be attached in a position which is clearly visible from the outside. Packaging units with residual quantities (if accepted) must be clearly marked with a label identifying them as such.

### 4.5.2 Format and attachment / Reinforcement

The master label of the shipping unit must be in DIN A5 landscape format. The secondary goods labels (single labels) must be in the format 210x74mm (VDA standard). Reinforcements (e.g. for small load carriers) must be used.

## 4.6. Shipment declaration

The supplier is responsible for ensuring safe and punctual transportation of the goods. For this purpose, the supplier must provide the carrier with all the data relevant to the shipment. The following data are required:

- Collection address
- Collection date with time
- Delivery address
- Date/time of delivery
- Dimensions
- Number, type of shipping units, if applicable, loading metres
- Gross weight
- Customs tariff number, in the case of third country deliveries
- Specification of the country of origin

The supplier must also inform the freight forwarder of specific requirements relating to the goods to be transported, e.g. sensitivity to shock, heat or frost. Providing this information does not release the supplier from his duty to ensure the goods are properly packaged in a way that prevents them being damaged during transport.

If the shipment is to be handled by a regional freight forwarder, the supplier must observe the freight forwarder's standard transit times when he sends the shipment declaration to the responsible carrier.

For shipments of hazardous goods, the supplier is responsible for ensuring that all the necessary hazardous goods documents are provided to the collecting carrier in full and in good time.

The carrier must be informed in advance of any goods which are extremely bulky or cannot be packaged due to their design/properties.

## 4.7. Transport documents

The supplier usually provides the following documents and with relevant information to the freight forwarder.

### 4.7.1 Delivery note and transport order

For every delivery, regardless of the country of origin, a delivery note and a transport or forwarding order must be issued to the freight forwarder together with the goods. The delivery note must contain the following minimum information:

- Sender address
- Supplier number
- Recipient address
- Total quantity of delivery and quantities per shipping unit
- Eichenauer article number
- Number & type of packaging (e.g. KLT, colli, Euro pallets)
- Number of exchange pallets used per order
- Delivery note number
- Order / Blanket order number
- Batch number and, if applicable, best before date
- Part revision status
- Customs tariff number on commercial invoice for third country deliveries

### 4.7.2 Customs documents

The supplier must provide the carrier with all documents required for import processing. Depending on the region, a certificate of origin may be required in addition to a commercial invoice. As a non-European supplier, the supplier must coordinate with the responsible specialist department at Eichenauer before dispatching the first delivery.

### 4.7.3 Security in the movement of goods

The supplier must declare to all service providers (regulated agents) through the submission of a “security declaration” (for current regulations, forms and explanations see homepage LBA: [www.lba.de](http://www.lba.de)) that it is a “known consignor” in accordance with Regulation (EC) 300/2008 and undertakes to comply with the resulting requirements. In the case of air freight, only cooperation with “regulated agents” is permitted.

By way of an exception to this rule, cooperation is permitted with service providers who are not approved as “regulated agents” if the “subcontractor declaration” is obtained. This written declaration on the shipping documents is required for air freight and recommended for other modes of transport. It is impossible to guarantee the mode of transport will not be subsequently changed to air freight or that subsequent transport may take place by air freight.

## 5. Quality assurance agreement

The Eichenauer quality assurance agreement (QSV supplier form 112453, please actively request, if necessary) is part of the contract.

### 5.1. Quality management

The quality of the supplier/customer relationship between Eichenauer and its suppliers depends on the quality of the various operational services provided, e.g. compliance with technical specifications and standards, punctuality of deliveries, responsibility for costs, general reliability etc. The supplier must implement appropriate quality assurance measures in order to achieve the shared zero-defect target. This agreement applies to all development services and products that are provided and delivered during the term of the contract, insofar as the scope is not limited. The supplier undertakes to implement and permanently apply a quality management system in accordance with IATF 16949, or at least DIN EN ISO 9001 in its current version, and document this in its management manual. Eichenauer is entitled to audit the agreed quality assurance measures implemented by the supplier and the subcontractor at reasonable intervals and after providing appropriate advance notice.

### 5.2. Quality planning

In the case of new suppliers or new components/sub-assemblies, special precautions must be taken in advance to ensure a smooth start of series production. In order to support the supplier as it starts production, Eichenauer SQA will perform a potential analysis at the manufacturer. Eichenauer's quality planning evaluation involves the systematic processing of the following key quality planning elements:

- Feasibility study (in accordance with the attached technical documentation)
- Design FMEA (only required if the design is primarily the responsibility of the supplier)
- Process FMEA
- Resource planning and resource management
- Test equipment planning and test equipment management
- Statistical process control (process capabilities (cmk, cpk))
- Planning of logistics processes (see also packaging planning)
- Quality inspections (test characteristics BM-P, BM-F, BM-Z, BM-S)
- Manufacturing and testing instructions
- Q-regulations for subcontractors
- Documentation (VDA, PPAP)
- Preventive Q-measures for customer care (QAM)

### 5.3. Control of non-conforming products

All parts identified as defective by Eichenauer will be rejected. In order to avoid production downtime at Eichenauer, the delivery of faultless parts must be given the highest priority. For this reason, measures such as sorting, replacement of stocks, reworking etc. are required within 1 hour unless Eichenauer provides written notice that this is not required. If the supplier can not achieve this, Eichenauer will commence the necessary work at the supplier's expense. In particularly urgent cases, such as an imminent conveyor stoppage, Eichenauer is entitled to rectify the products itself without the consent of the supplier or have this work performed by a third party.

The supplier must bear the total costs incurred as a result of the complaints. If the supplier performs a repair on goods for which a complaint has already been made, this must be clearly indicated on the delivery documents for the new delivery.

## 5.4. Complaint costs

Complaints give rise to costs which can become considerable when follow-up costs are taken into account.

It must therefore be in our common interest to use all means at our disposal to achieve or fulfil the 0-defect objective. Our suppliers undertake to provide remuneration or compensation for costs and expenses incurred by defective purchased products (warranty). This also applies to hidden defects. Charges for the following defects/items are possible:

- Replacement of the delivered material
- Additional testing and processing costs (also for our customers)
- Special transports and packaging for return deliveries
- Parts processed in the production department
- Special releases at customer sites
- Return deliveries of finished parts from customers
- Costs incurred by our end customers due to faulty materials
- Sorting and reworking expenses incurred by Eichenauer (also for our customers)
- Scrapping costs at Eichenauer
- Complaint costs

Each complaint will be charged to the supplier at a flat rate – currently €150. We reserve the right to charge further costs incurred by other work/activities.

## 5.5. Supplier evaluation

The aim of the supplier evaluation is to gain an objective and holistic view of the purchasing decision. Suppliers are evaluated systematically according to a standardised catalogue of criteria. The results of the supplier evaluation are taken into account during current and future decision-making processes. Specifically, this means the results of the supplier evaluation are used directly in

- the selection of suppliers (A-suppliers preferred),
- disqualifying weak suppliers or
- supplier development and taking action.

The supplier evaluation takes place in regular cycles. The analysis includes the following evaluation criteria:

- Quality score measured in PPM (parts per million)
- LRKZ (supplier complaint code)
- Delivery reliability (quantity + time)
- Service (flexibility + communication)
- Logistics capabilities (EDI capability, labels, etc.)
- Environmental management ISO 14001, Energy management ISO 50001

The Eichenauer purchasing department communicates the result of the supplier evaluation to the supplier's relevant department.

# Supplier Manual



## 5.6. Quality targets

All suppliers included in the supplier evaluation are given annual quality targets (ppm and LRKZ targets). The supplier will receive written conformation of his current quality status by the end of the calendar year at the latest.

If the targets are not met, the supplier will be requested to comment in writing and state the measures he will implement to achieve the targets. In this case, Eichenauer reserves the right to have the measures monitored regularly by assigned employees on-site.

## 5.7. Insurance

The supplier undertakes to maintain product liability insurance with world-wide coverage of at least EUR 3 million per personal injury and/or instance of damage to property as well as coverage of at least EUR 2 million for installation and removal costs. If Eichenauer is entitled to further claims for damages, these remain unaffected.

## 6. Quality assurance at the supplier

### 6.1. General requirements for QM systems operated by our suppliers

The minimum requirement for classification as a potential series supplier to Eichenauer is proof of the introduction and maintenance of a quality management system in accordance with DIN EN ISO 9001 in its current version.

Since we also align our company with the requirements of IATF 16949, we aim to develop all our relevant suppliers with regard to the goal of meeting all the requirements of IATF 16949.

In order to protect the environment, we believe it is our duty to use environmental resources with care and respect. We would like to suggest that all our suppliers do the same and recommend the introduction of an environmental management system in accordance with DIN EN ISO 14001. All the above management systems should be implemented in their currently valid versions.

As a supplier to the automotive industry, we naturally comply with the specifications of special VDA guidelines in addition to the above-mentioned QM system requirements. Wherever applicable, this should also be regarded as mandatory for our subcontractors. In particular, we draw attention to the “associated documents” listed in the annex.

### 6.2. Quality management systems for subcontractors

The supplier must require its subcontractors to introduce and maintain a similar quality management system with an obligation to work towards the 0-defect target and continuously improve their performance.

Eichenauer can demand proof from its suppliers that the supplier has analysed and approved the effectiveness of the subcontractor's quality management system. If quality problems occur, the supplier must provide Eichenauer with an opportunity to audit its subcontractors.

### 6.3. Audits

The supplier must allow Eichenauer to perform audits to determine whether its quality assurance measures comply with Eichenauer's requirements. After prior notification, an audit may be conducted as a potential analysis, system, process or product audit. The supplier must make provision for granting such appointments even at short notice.

The supplier and its subcontractors must grant Eichenauer and – if necessary – its customers access to all operating facilities, test centres, warehouses and adjoining areas as well as to quality-related documents. During this process, the supplier may put in place necessary and reasonable restrictions required to secure its trade secrets.

Eichenauer must inform the supplier of the results of these audits. If Eichenauer believes rectifying measures are required, the supplier must undertake to draw up an action plan without delay, implement it within the period specified and keep Eichenauer informed of its progress.



## 6.4. Information about process changes

The supplier undertakes to obtain the consent of Eichenauer and to provide the agreed quality certification before

- making changes to manufacturing processes, procedures and materials (also for subcontractors)
- changing materials/ingredients
- changing its subcontractor
- changing test procedures/equipment
- relocating production sites
- relocating manufacturing facilities at the site.

## 6.5. Traceability

We expect every supplier to introduce a traceability system in order to define and limit the scope of potentially non-conforming quantities as precisely as possible and minimise the associated costs in case of damage. Unless otherwise agreed, the delivered products must be labelled in such a way that they can always be traced back to the corresponding basic material batches, production parameters and test documents.

The following information can be requested in the case of an event, e.g. a complaint. It must be provided by the supplier or viewed by an authorised Eichenauer employee at the supplier's premises without delay:

- Material(s) used with reference to the batch and assignment of test results
- Associated documentation for production parameters and tests of finished parts
- Documents, test specifications or test instructions used
- Units produced and deliveries already shipped
- Treatment of defective products and corrective actions
- FMEA, PLP (control plan), process flow chart
- Release documents (EMPB in accordance with PPF/PPAP)

## 6.6. Archiving

In order to ensure traceability for potential failures at a later date or even after production has ceased, quality-relevant documents (verification documents) must be archived for at least 15 years after EOP (end of production); other documents for 3 years. For definitions of the documents that require archiving, please refer to VDA Volume 1 "Verification".

## 6.7. Statutory requirements

We require that all our suppliers observe and comply with the laws and official regulations applicable in their country of origin and in the Federal Republic of Germany.

## 6.8. Sampling

### 1. *Development samples/Deliveries of preliminary prototypes*

To test a new or modified product, our purchasing department sends written orders for samples to the supplier. The essential product requirements are agreed with the supplier. Each delivery must be dispatched as agreed together with test documentation. Unless otherwise agreed with the officer responsible at Eichenauer, the scope of testing is 100%. Reports produced in accordance with VDA Volume 2 with the declaration "Other samples" are preferred. Any deviations from the requirements must be explicitly stated and approved in writing by Eichenauer before dispatch.

## 2. *Initial samples*

The initial sample is used to demonstrate that the manufacturer is able, under series production conditions, to manufacture the products/materials according to the agreed product specifications and drawings at all times. Deliveries of initial samples must meet the following requirements:

- Initial samples must be identified as an “Initial sample” using a label or banderole.
- The forms listed in VDA Volume 2 must be used for documentation of initial samples.
- The initial sample test report must be completed in full.
- This report is based on the drawings, data sheets, VQS data sheets, order and test specifications approved by Eichenauer. All dimensions and specifications must be numbered by the supplier and recorded in the initial sample documents. Supplier drawings that have not been approved by Eichenauer will not be accepted under any circumstances. An initial sample release must take place exclusively in conformity with the Eichenauer (customer) drawing.
- Documents and samples may only be submitted when all the requirements of the production part release procedure have been met. In the event of any deviations from this procedure, the supplier must obtain written approval to submit the initial sample in advance and attach it to the sample.
- If a required annex is not included in the initial sample test report, the supplier must state the reasons for this in the comments field of the cover sheet.

## 3. *Requirements of initial samples*

Initial samples are either ordered by the buyer or provided by the supplier on his own initiative.

The Eichenauer purchasing department orders initial samples in the case of:

- New or changed parts, components or products
- Changes to agreed specifications
- Re-qualifications (after agreement)

The supplier is obliged to conduct initial or re-sampling without request, but stating his reasons for so doing, in the following cases:

- Changes in manufacturing and process conditions; type or location
- Change of subcontractor
- Suspension of production over an extended period of time (more than 12 months)
- Conversion to new tools, multiple tools/production from additional tools

The Eichenauer quality assurance department must decide on the necessity and scope of the re-sampling and coordinates with the supplier if necessary.

## 4. *Re-sampling*

In the following cases, the product part release procedure must be repeated and new initial samples submitted:

- Rejection of the initial sample test report (rejected (n.i.O.) or conditionally released (f.m.A.))
- Technical changes to the component
- Changes to production processes or important process parameters
- Change of production location

## 6.9. **Quality certification**

Documentation produced by the supplier or his subcontractors to certify compliance with the product-specific quality requirements must be submitted to Eichenauer within 2 working days if required. In particular, these documents include material test certificates, process-related test documentation, results of incoming and outgoing goods inspections, product audits – and/or re-qualification reports.

We expect our suppliers to conduct proactive cyclical re-qualification (product audits) on an annual basis as well as half-year reporting of the process capability certificates for the special features identified in the drawings by Eichenauer (BM-P, BM-F, BM-Z, BM-S). At a minimum, however, immediate transmission at Eichenauer's request.

## 6.10. **Incoming goods management**

The tests required to meet the supplier's quality assurance obligations must be conducted on the supplier's premises. The purchaser must therefore inspect products received from the supplier only for external visible damage sustained during transit and to confirm that the ordered quantities and identities are correct. No further inspections are required.

## 6.11. **Use/monitoring of test equipment**

The supplier must use measuring and test equipment (including software and programs) which is suitable to ensure adequate monitoring of processes. To ensure the safety of faultless parts during production and shipment, all measuring and testing equipment must be approved and its capabilities certified. (For details see VDA Volume 5 "Capability of Measurement Processes"). Depending on the specific customer, other strategies may also be used, e.g. Bosch procedure / Six Sigma / Q-DAS. Eichenauer recommends the use of corresponding software (Q-DAS-Solara).

If production tools, moulds or similar equipment are used simultaneously as measuring instruments or test equipment, they must be checked, approved and documented in the same way as other measuring instruments. In this case, the supplier must also ensure their traceability to national or international reference standards for calibration.

## 7. Error handling – Measures to be implemented by the supplier

### 7.1. Non-conformities and corrective measures

Eichenauer expects the supplier to deliver faultless parts at all times and provide immediate notification if the supplier determines that delivered parts could deviate from the specifications. In exceptional circumstances, the supplier may apply in writing for permission to deviate from these specifications if the Eichenauer quality standards cannot be met.

The validity of such a permission is restricted to a limited time period and/or quantity of parts. During this time, the supplier must solve the problem and thus be able to deliver goods which comply with the specifications after the release period has expired. The granting of permission by Eichenauer to deviate from the specifications does not release the supplier from his obligation to deliver faultless goods.

In principle, the supplier undertakes to permanently reduce internal waste and sources of errors in accordance with a CIP (continuous improvement process) feedback loop. On request, the supplier must provide a monthly report to Eichenauer's Q department using a PDCA data sheet.

### 7.2. Correction and problem solving

The supplier must analyse parts rejected and returned by Eichenauer in order to identify the cause of the error, develop solutions and take corrective action to prevent recurrence of the problem. For this reason, a problem solving method (8-D) structured in accordance with VDA must be used. The supplier's methodology must be defined in writing and include the following:

- Investigation of the underlying cause of the defect in terms of the product, process and quality system. Use of suitable methods (core tools, e.g. 3x5Why, Ishikawa etc.) is mandatory.
- Identification of short-term and final corrective actions to be taken to address the root cause.
- Statement of the inspections used to ensure that corrective action is taken and is effective.
- Checking whether the error can also occur with similar products and processes ("lessons learned").
- Preventive measures and the use of inspections to ensure that these measures are effective.
- Definition of responsibilities for all actions and related documents.
- Updating of reference documents (PLP / FMEA / VA / AA / PA) if these are affected by the measures taken.

We reserve the right to review the implementation of the above measures and their effectiveness on-site, e.g. as part of a process audit.

## 7.3. Documentation and supplementary instructions

Furthermore, in the case of the motor vehicle parts specially identified in the technical documentation or by separate agreement, for example with “D”, the supplier shall keep special records stating when, how and by whom the delivery items have been inspected for characteristics subject to mandatory documentation as well as the results of the required quality tests. As a guide, please refer to VDA Volume 1 “Special Features”.

If authorities responsible for vehicle safety, emission regulations or similar request the opportunity to inspect our production processes and the test documents to ensure compliance with specific requirements, the supplier must agree, at our request, to grant them the same rights in his business and offer every reasonable support.

## 7.4. Product-related environmental protection (IMDS / Reach / RoHS)

The environmental sustainability of our products is one of our key business concerns. Environmental sustainability, recyclability and disposal options must be taken into account during the development and tender phases as well as when taking technical and economic decisions.

By working closely with our suppliers, we aim to eliminate environmental risks long before they occur and find joint solutions that may even go far beyond compliance with existing statutory requirements.

The supplier warrants that he complies with the currently applicable requirements of the EU chemicals regulation REACH, the Global Automotive Declarable Substance List (GADSL, see [www.gadsl.org](http://www.gadsl.org)) and RoHS for products in accordance with their area of application.

Insofar as the End of Life Vehicles Directive 2000/53/EC and the German Electrical and Electronic Equipment Act impose obligations for the transmission of product-related information, the supplier is obliged to provide this information for its products. Material data regarding the End of Life Vehicles Directive must be provided to us exclusively via the International Material Data System (IMDS).

The supplier undertakes to purchase and process only “conflict-free” raw materials which comply with the requirements of the Organisation for Economic Co-operation and Development (OECD: “Due Diligence Guidance for Supply Chains of Minerals from Conflict-Affected and High-Risk Areas”).

The supplier is obliged to indemnify us from any liability relating to non-compliance with the above-mentioned regulations and specifications or to compensate us for damages arising from or in connection with non-compliance with these regulations and specifications by the supplier.

## 7.5. Statutory regulations

All purchased parts and materials delivered to Eichenauer must comply with the statutory regulations that apply in the country of manufacture and distribution. If proof of compliance is required using separate declarations of conformity, these must be issued immediately and free of charge.

## 8. Applicable documents, forms, literature

- Confidentiality agreement
- Quality assurance agreement
- General Terms and Conditions of Purchase of Eichenauer Heizelemente GmbH & Co.KG
- 8-D-Report
- 3x5Why
- VQS data sheet
- QAM (Customer Care)
- PDCA data sheet
- Tool handover agreements

### **Other referenced documents and publications:**



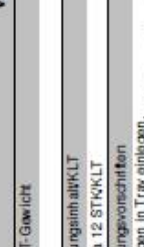
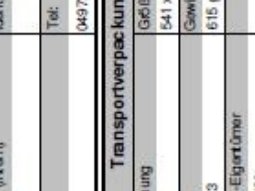

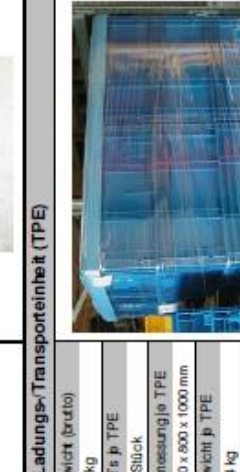
- VDA Volumes
- DIN EN ISO 9001
- IATF 16949
- RoHS and REACH – EU regulations
- IMDS General Rules and Guidelines



# Supplier Manual



## Annex 1: Sample of a packaging data sheet

Verpackungsdatenblatt			
Datenblatt-Nr.	Prod.-bereich	Werk	Ladungsträger
996	<input checked="" type="checkbox"/> Automotive <input type="checkbox"/> Industrieanwend. <input type="checkbox"/> Weiße Ware <input type="checkbox"/> Aerospace	<input checked="" type="checkbox"/> Heizenböhl / Deutschland <input type="checkbox"/> Trnava / Tschechien <input type="checkbox"/> Hartford / USA <input type="checkbox"/> Xin Xing / China	<input checked="" type="checkbox"/> Kleinladungsträger <input type="checkbox"/> Spülen <input type="checkbox"/> Gitterboxen <input type="checkbox"/>
Lieferant: <b>XXX</b> Ident-Nr. (extern) Herr Müller E-Mail: <a href="mailto:Hermann.mueller@eichenuer.de">Hermann.mueller@eichenuer.de</a> Tel.: 04972 5123456			
Zu verpackendes Teil			
Bezeichnung Wärmepumpe Ident-Nr. 20122945 Jahresbedarf bis zu 1.500,00 Stück pA Skizze (Teil)	Größe (l x b x h) 120 x 100 x 40 mm Gewicht (brutto) ca. 132 g	Bezeichnung KLT 6290 Ident-Nr. 20122946 Verpack.-Eigentümer Eichenauer Skizze (Verpackung)	Größe (l x b x h) 600 x 400 x 290 mm Gewicht (brutto) 2,67 kg
			
Transportverpackung + Hilfsmittel			
Bezeichnung PalettenA bedecktaube A 1208 Ident-Nr. 20114622 Verpack.-Eigentümer Eichenauer Skizze (Verpackung)	Größe (l x b x h) 541 x 36,9 x 66,25 mm Gewicht (brutto) 615 g	Bezeichnung Tray Ident-Nr. 20125313 Verpack.-Eigentümer Eichenauer Skizze (Verpackung)	Größe (l x b x h) 1200 x 800 x 50 mm Gewicht (brutto) 11 kg
			
Ladungs-Transporteinheit (TPE)			
Bezeichnung Ladungsmittel Europalette Größe Ladungsmittel (l x b x h) 1200 x 800 x 150 mm Lagen je TPE 3 Lagen Inhalt je TPE 720 Stk.	Gewicht (brutto) 25 kg RLT's je TPE 12 Stück Abmessung je TPE 1200 x 800 x 1000 mm Gewicht je TPE 204 kg		
Verpackungsinformationen			
max. KLT-Gewicht 14 kg Verpackungsmittel/KLT 5 Trays a 12 STK/KLT Verpackungsvorschriften - Heizungen in Tray einlegen. - Kennzeichnung nach gültigem Lieferantehandbuch. - Der KLT ist mit PE Folie auszuschlagen. - Transporteinheit wird nur mit der Abdecktaube gesichert. Die KLT's werden ohne Deckel aufeinander gestapelt. - Transporteinheit ist mit Schweißband 2-fach zu umwickeln A 39		- Ladungsträger werden sauber von Eichenauer bereitgestellt - XXX hat für die Sauberkeit bei Rücklieferung zu sorgen. - Die Reichweite an Ladungsträger bei XXX beträgt einer Abfummenge der nächsten 10 AT. Alle hier nicht erwähnten Informationen sind aus dem aktuellen gültigen Lieferantenhandbuch zu entnehmen.	
Name Ersteller Vdt: Freigabe Datum: 12.04.20XX Datum: 12.04.20XX		Name: Unterschrift: Unterschrift:	
Transportversuch erforderlich (ja/nein): nein Transportversuch in Ordnung (ja/nein): nein Verpackung akzeptiert		Datum: Datum:	
<b>Eichenauer</b>		<b>Lieferant</b>	