Qualitätsmanagement Richtline für Lieferanten Halbfabrikat engl.



This document is used for inserts, trading goods and outsourced manufacturing

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1 Introduction and Objective

1.1 Introduction

We, Datwyler Sealing Solutions (“Datwyler”), must meet the very high expectations of our customers in the automotive industry. Suppliers play a very important role in supporting us fulfilling the expectations.

The quality of our products is dependent on the quality of the products and components that we purchase. Our objective is therefore to purchase quality products with an above-average cost-to-benefit ratio.

In order to achieve this objective, it is essential for our suppliers to have an effective quality management system in place. This binding agreement is the basis for our cooperation. The Supplier Quality Agreement comprises mandatory stipulations together with further individual agreements which may be negotiated separately, if needed.

This quality agreement is part of each purchasing contract for products which undergo further processing at Datwyler or which are sold through us.

1.2 Objective

Our goal is to be the benchmark leader with regard to quality, costs, readiness to deliver and customer focus. We consistently pursue the implementation of a 'zero defects' objective, in order to comply 100% with delivery deadlines and quantities supplied. This includes continuous improvement by our suppliers too.

2 Responsibilities

The responsible contact partner for suppliers is either the local purchasing department or, if he/she was named, the lead buyer. Datwyler has globally responsible lead buyers in place for certain spend categories:

- Raw materials for rubber compounds
- Metal or plastic parts (so called ‘inserts’, that are over molded or assembled)
- Externally sourced rubber compounds
- Packaging and quality critical indirect materials
- Transport

Lead buyers are the main contact point for suppliers and they have the competency to negotiate in respect of inquiries, agreements, prices and contracts.

3 Quality management (QM) system and certification status

Datwyler’s QM system meets the actual requirements of DIN EN ISO 9001 and the additional requirements of IATF 16949.

Our minimum requirement for automotive suppliers is to maintain a certification according ISO 9001 issued by an accredited certification body or ISO / IEC 17025 for testing and calibration laboratories.

Automotive suppliers that are not ISO 9001 certified have to be customer approved and they will be audited annually.

The general objective for all suppliers, which supply Datwyler specified parts that are used in automotive products (e.g. inserts, trading goods, subcontracted processes) is to achieve an IATF 16949 certification.

There is no minimum requirement for suppliers of services (besides laboratories) and all other articles in all business areas.

For all suppliers within the scope of application, following development steps are applied for their quality management systems, unless requested otherwise by the customer.

Certification development level 1 (CDL 1):
This development level does not apply to the Business Unit Automotive because it is the minimum requirement. This level is applied to other business areas only.

Certification development level 2 (CDL 2):
The supplier is certified by an accredited body according to ISO 9001. We will assess the compliance to other customer-defined quality management system requirements (like the Minimum Automotive Quality Management System Requirements for Sub-Tier Suppliers) by performing a supplier audit

Certification development level 3 (CDL 3):
The supplier is certified by an accredited body according to ISO 9001. We verify his compliance to IATF 16949 by performing a supplier audit

Certification development level 4 (CDL 4):
The supplier is certified by an accredited body according to IATF 16949 or for laboratories according to DIN EN ISO / IEC 17025.

We require suppliers to provide us with actual copies of their valid certificates and to update them unasked after a change.

As preparation for the organization supplier receives a request for audit with possible dates. The supplier shall grant Datwyler (and also, with the agreement of Datwyler, the latter's customers) access to all operating facilities, test centers, stores and adjacent areas, and shall allow said parties to inspect all documents relevant to quality. Necessary and appropriate restrictions on the part of the supplier in order to protect his business secrets shall be accepted for this purpose. Furthermore, and as required by Datwyler's customers, the requirements of AIAG (American Automotive Industry Action Group) and the VDA (German Automotive Industry Association) shall be taken into account.

4 Supplier Code of Conduct

Datwyler demands that supplier adhere to the same set of standards that Datwyler sets for itself. For this reason, Datwyler introduced the Supplier’s Code of Conduct some years ago. It is required that the Supplier Code of Conduct is signed by the supplier before a delivery of products or services can take place. For suppliers who introduced their own Code of Conduct as a minimum requirement the supplier needs to confirm that their rules meet at least meet Datwyler’s standard.

5 Product Safety

Product safety and product liability are particularly significant for companies in the automotive industry. The supplier has producer responsibility (product liability) for their parts and processes, including parts or processes from sub-suppliers, which Dätwyler purchases to build their final products. Therefore, in order to prevent product liability risks, it is the responsibility of the supplier to do everything in their power, in terms of organization and technical matters, to guarantee the product safety.
The supplier shall have a documented process for the management of “product safety” related products and manufacturing processes. Dätwyler requires their suppliers to designate a Product Safety Representative (PSR) to be in charge of all related tasks described in IATF 16949 section 4.4.1.2. Furthermore, the supplier shall apply these requirements to their supply chain.

6 Ensuring quality prior to serial deliveries

6.1 Feasibility

Before concluding a contract, the supplier verifies whether the requested product can be produced and delivered in the required quality and quantity, adhering to specified deadline(s).

It is the supplier's obligation to discuss unclear requirements with Datwyler's purchasing department in advance and to obtain any additional information that might be needed. This also includes the definition and handling of critical and significant product characteristics.

If corrections to the specifications are required due to the feasibility study, purchasing must also be informed. Changes shall be handed in in written form and shall be agreed in advance with Datwyler.

6.2 Quality planning

The quality of products is mainly defined in development. It is therefore necessary for the supplier to apply appropriate preventive methods of quality planning at the development stage. These measures shall include the elements described below.

6.2.1 FMEA for design and processes

Failure Modes and Effects Analysis (FMEA) is an important instrument to prevent defects: this methodical procedure enables the causes of potential defects to be identified at an early stage so that suitable measures can be taken.

A Design FMEA is required for all products for whose design the supplier is responsible.

Process FMEAs shall be carried out for all new and modified production processes.

6.2.2 Test planning

Test planning shall stipulate:

- which feature needs be tested,
- how often,
- to what extent,
- by whom,
- with which test equipment, and
- how,

and also how the results are to be documented.

The results of the test planning shall be summarized in a Test Plan.

6.2.3 Planning of test equipment
Planning of test equipment (both, in quality lab and on shop floor) to secure serial production conformity shall stipulate the type, quantity and accuracy of the requisite test equipment.
Measurement system analyses (e.g. according AIAG booklet for MSA) shall be carried out on the selected test equipment to ensure that process assessment is possible based on measured values.
The supplier shall have a test equipment monitoring system.

6.2.4 Planning of processes and operating equipment
Production processes and operating equipment shall be planned and developed in such a way that with adequate capacity, they are able to produce the required features and characteristics within specifications.
For production equipment we require from supplier a minimum capacity reserve of 15% over the maximum plan values as reaction room for deviating quantity requirements.

Results of process planning shall be presented in a process flowchart being the basis for the process FMEA and test planning.

The capability of operating equipment and processes shall be proven. The minimum requirement for provisional process capability is Ppk ≥ 1.67 and ongoing process capability is Cpk ≥ 1.33.

Unless agreed otherwise, at least 125 measured values shall be available, originating from a production run of at least 300 parts, for the calculation of the provisional process capability. The calculation of ongoing process capability is only permitted after a suitable number of production days.

6.2.5 Packaging and cleanliness
Packaging shall be specified in such a way that damage is prevented during transport and storage.
In addition to the aspect of convenient handling (filling quantity, convenient emptying, transportability and stackability), environmental aspects shall also be taken into account.
If Datwyler does not set a specific requirement for packaging, it is the supplier's duty to agree on packaging with Datwyler Purchasing prior to serial delivery.
The supplier undertakes to deliver finished products without contamination, and with a standard of cleanliness which conforms to the general state-of-the-art.

6.3 Prototypes
The manufacturing processes for prototypes may differ from the serial manufacturing process. These alternative processes shall be agreed with Datwyler. The required documentation may be taken from our prototype and development orders. This documentation shall be delivered from supplier together with the parts, without a request to do so, and shall be sent to Datwyler’s purchasing department in advance by e-mail.

6.4 First samples / IMDS data entry
As a general rule, first samples are always required prior to serial production. First samples are those samples (of products or materials) which were produced with serial equipment, under serial

conditions and with the staff envisaged for serial production. They are used to prove, prior to serial deliveries, that quality requirements are met.
First samples are required for new or modified products, with information about the quantities required and the date of receipt. All quality characteristics agreed in the specification shall be taken into account for this purpose.
Sampling shall be carried out according to the production process and product release procedure as per PPAP Level 3, unless agreed otherwise in writing. The relevant material entries in IMDS shall be added to the sampling documents.
Regulations governing, when a sampling process shall be carried out, are stated in VDA Volume 2, or in separate individual agreements.

After an interruption of more than 12 months of parts deliveries, a new first sampling / requalification test is required. This procedure for production process and product release shall also be applied to subcontractors.

6.5 Hazardous substances
Prior to the first delivery of hazardous substances, the relevant material safety datasheets shall be sent to Datwyler's purchasing department without a request to do so.

6.6 Preventive maintenance
The supplier shall prove that he has a system for and carries out preventive maintenance.

6.7 Training
The supplier's employees shall be qualified for the tasks they need to perform. This shall be ensured by appropriate internal or external training. Training shall be documented and signed by the trainer and trained personnel. Upon request, such documentation shall be presented, e.g. during audits.

7 Ensuring quality during serial delivery
7.1 Statistical process control
Statistical Process Control (SPC) is used as a process-based control instrument to identify deviations from the process at an early stage and to intervene with the goal to correct the process before defective products are manufactured.
The supplier shall use appropriate quality control cards to prove that statistical process control is applied to all critical or significant characteristics that can be controlled. Datwyler is entitled to inspect these records at any time, on request.
If characteristics cannot be verified directly, SPC shall be applied in respect of process parameters which influence them. By its nature, this possibility is also available for product characteristics which can be verified, and should be preferred for clear correlations.

7.2 Acceptance tests
For product characteristics that do not reach acceptable capability levels in statistical process control, the supplier shall conduct suitable quantitative and/or qualitative acceptance tests to guarantee error-free products. This shall be documented with appropriate acceptance cards or test reports.

7.3 Key performance indicators

For the purpose of process control, we expect our suppliers to define appropriate key performance indicators (KPI) for their production process of the product that is supplied to Datwyler. Together with the KPIs, target values have to be defined. The supplier shall record actual KPI data, visualize it and define appropriate improvement measures. The KPIs should be made available to Datwyler, on request.

7.4 Safeguarding incapable processes

For non-capable processes (Cpk < 1.33), suitable tests to safeguard quality shall be carried out with respect to the specified characteristics to avoid that Datwyler's production is disrupted by defective parts.

7.5 Test certificates

We basically reserve the right to request one acceptance test certificate as per DIN EN 10204, 3.1 per delivery, in which the critical and significant product characteristics features shall be confirmed. This certificate shall include standard values, the tolerances and the actual readings that have been measured. The documented product characteristics and sample size shall be agreed with Datwyler's purchasing department.

7.6 Product identification

Separate labels that fulfill specific criteria shall be used to identify the packaging units. The shape of the label and contained information have to be defined together with Datwyler. The requirements for suitable traceability shall be taken into account for this purpose.
In case of a quality complaint, traceability and clear containment of potentially defective parts/batches must be guaranteed.

7.7 Emergency strategy / Force majeure

The supplier's system shall be set up in such a way that an emergency strategy can be launched in case a delivery bottleneck would occur. The emergency plan shall be submitted to Datwyler's purchasing department, on request.
In case of risks of production shutdown at Datwyler or at our customer, due to delivery of products which do not conform to specifications, the supplier shall liaise with Datwyler to remedy the situation by suitable immediate measures for which the supplier takes responsibility (spare parts deliveries, sorting work/reworking, special shifts, express transport, etc).
The supplier is responsible to ensure that serial deliveries are not interrupted under any circumstances. He shall also continue to be able to deliver in case of force majeure by means of any safety reserve stock that may be required.

7.8 Requalification test

All products delivered to Datwyler must regularly undergo a requalification check. At least all dimensions and tests according product specification have to be measured / performed. The frequency of requalification checks shall also be specified as part of the advance quality planning and shall usually be based on our customer's requirements. These specifications shall be incorporated into the production control plan.
If no special agreements are made about this point, a requalification shall be carried out at least once per year.
The requalification results shall be made available to Datwyler, on request, within 2 working days.

7.9 Process changes / Change notification

All changes to the product or the process chain require the written agreement of Datwyler.
This relates to:

a) changes to production processes, sequences and materials, including those made by subcontractors
b) change of subcontractor(s)
c) changes to test procedures and equipment
d) transfer of production locations
e) transfer of production facilities on site

These changes shall be notified to Datwyler within acceptable timeframes before the planned change (at least 6 months ahead of time). In this way, resultant measures to achieve a release can be jointly coordinated. The following information shall be provided in advance in such cases:

- risk assessment for the process change
- proof that the process sequences are ensured throughout the process chain.

All changes will need a written approval before they can be executed. Additionally, for certain important changes, a formal re-approval process by the customer will be necessary.

8 Corrective actions / Reaction times for complaints

Datwyler expects its suppliers to track target values for key processes in production and administration, and to have action plans available to achieve these targets.
In case of complaints, we expect a confirmation of receipt within 24 hours, a first written presentation of immediate measures within 48 hours and a final statement about the root-causes of the defects and corrective actions within ten working days. The documentation shall be prepared in an 8D-form.
In case, the supplier would not be able to provide a complete 8D report within this period, he shall notify it and provide a well-founded interim report including a planned completion date.
After 60 days, the supplier shall prove effectiveness of taken corrective actions. In case, corrective actions would not be effective or if the supplier recognizes another problem, he shall inform Datwyler immediately.

9 Statutory safety and environmental protection regulations

A process shall be in place to ensure compliance with all relevant statutory safety and environmental regulations. Proof shall be furnished by appropriate certificates or declarations of conformity.
It is the responsibility of the supplier to cascade all applicable requirements down his own supply chain in order to assure and to follow up that all sub-suppliers can and will respect these requirements.

10 Documents and records

Safekeeping of documents and records shall be regulated in writing with a guarantee of at least 15 years.
Datwyler reserves the right to inspect all documents and records created in connection with products delivered or to be delivered to Datwyler.

11 Premium freight costs

The supplier undertakes to record all premium freight costs and to present these records on request. The special freight costs for his subcontractors shall also be taken into account.

12 Ensuring supply after end of serial life
The supplier undertakes to supply Datwyler with parts for at least 10 years after discontinuation of serial production. The price per piece for this purpose shall be set by mutual agreement. Alternatively, production of a so-called 'final stock' is possible. The quantity required for this purpose shall be specified and released for production by Datwyler no later than 2 years after discontinuation of the delivered item.

13 Supplier product discontinuation
In case, the supplier decides to discontinue a specific product. He shall take into account that Datwyler requires to receive a final stock that represents at least a 24 month supply based on the average supply of the last 12 months.
The supplier agrees to sell this final stock to Datwyler. The quality responsibility for this final stock stays with the supplier, it cannot be assigned to Datwyler.

14 Right to inspect
Datwyler shall be entitled to ascertain the progress of work on any relevant order in the supplier's production facility within normal business hours, after notification.

15 Right to test
Datwyler reserves the right to verify all agreed and contractually arranged points, and may also do so on site, if necessary.

16 Advertising / reference lists
The supplier shall treat all information as confidential and may only refer to the business relationship with Datwyler in advertising materials and reference lists with our written consent.

17 Exclusivity
The supplier must treat all 'information' as confidential when an order is transmitted. The supplier shall grant total exclusivity if a prototype, development type, first sample or serial order from Datwyler exists, and/or if development for a new product is being undertaken.

18 REACH
The supplier guarantees that products ordered by us have a REACH registration, if necessary.

19 Conflict Minerals
Datwyler supports the conflict minerals reporting performed by US stock companies and based on the Dodd Frank Act. This reporting requires suppliers to share information about certain minerals contained in their products and raw materials and where the raw materials were procured from. Datwyler requires suppliers to support this exercise and give answers to questions and to fill in the reports in due time.

20 Ownership identification
All operating equipment (e.g. molds, tools or dies) which is required by the supplier to perform the production or the service and which are at his premises and in his possession but owned by Datwyler shall be clearly and permanently identified as such.

21 Supplier monitoring

At least following criteria are being used to assess supplier's status: number of complaints, customer notification status, delivery performance, number of occurrence of premium freights and certification status.

This monitoring is used to focus on not sufficiently performing supplier by inviting them to improve. Depending on the severity of poor performance, a written action plan, a meeting with management or an audit to be conducted on supplier's site might be required.

All main suppliers are evaluated at least once per year. The result of such evaluation shall be notified to the supplier in writing.
The evaluation will be done with numbers, 0 (very bad) to 6 (very good). Based on the result the suppliers are classified in "A", "AB", "B"and "C"supplier.

Every assessment that is less than an A grade leads to a classification into an escalation level. Here standardized actions will be applied.

22 Escalation procedure

Datwyler introduced an escalation procedure with the goal to recognize and to counter supplier problems in an early stage. The process targets to start continuous improvement measures before serious problems cause supply interruptions from Datwyler to customers. To do that standardized containment and improvement actions are started with the occurrence of a number of different incidents on supplier's side. These actions are clustered in so called "escalation levels". With deviation from expected behavior, the escalation level is increased, with improvements, positive audit results and completion of actions escalation levels can be decreased.

Defined actions start from escalation level 1 that needs to be completed in a predefined time frame. Without positive completion or unsatisfactory results of defined actions the escalation level will be increased to level 2.

With still dissatisfactory results of actions and audits the supplier will be increase to escalation level 3. Here new business will be put on hold and a monitoring process starts that can lead to replacement of supplier.

Esc-level	Cause	Actions
0	Complaint	None, normal day to day work
	Delivery deadlines and quantities not ok	
	"AB" result in supplier monitoring	
1	Repeated complaints	• Request action plan from supplier
	Completion of actions beyond due date of unsatisfactory results	
	Delivery deadlines and quantities repeatedly not ok	
	"B" result in supplier monitoring	
	Serious communication issues	
	"R2" result in risk assessment	

	Special status customer notifications about risks at supplier	
2	Serious nonconformities and complaints	• Management meeting • Request an action plan from supplier • Result verification of development plan (e.g. in an audit) • Verification of effectiveness of actions in defined time frames (e.g. in an audit)
	Completion of actions beyond due date of unsatisfactory results	
	Lack of willingness in problem solving	
	“C” result in supplier monitoring	
	“R1” result in risk assessment	
	Special status customer notifications about risk at supplier	
3	Repeatedly serious nonconformities and complaints	• Management meeting • Definition of a development plan • New business on hold • Partial or complete loss of existing business
	Production standstill at Datwyler caused by supplier	
	Lack of willingness in problem solving	
	Special status customer notifications about risk at supplier	

23 Audit / initial audit

Before the start of serial delivery, Datwyler may conduct an initial audit.
During serial delivery, at random intervals, Datwyler may repeat audits to ensure sustainable quality standards.
As described above audits will also be possible in escalation level 2.

24 Internal risk assessment

Once per year Datwyler will carry out an assessment of the business risks for each serial supplier. The assessment of the risk level is based on criteria in quality, delivery performance, general and product-related criteria. If suppliers supply more than one product, the risk analysis for the product with the worst = most risky rating has to be carried out. The risk potential is divided into different classes based on the rating:
R1 = high risk
R2 = medium risk
R3 = low risk

The result of the risk analysis is used as an input for the escalation process. The result of the risk analysis may not be shared with suppliers.

25 Other applicable documents:

- DIN EN ISO 9001
- IATF 16949
- ISO 14001 / ISO 45001
- VDA 6.1 and the accompanying VDA volumes
- AIAG manuals
- DIN EN 10204
- general purchasing conditions

For all standards mentioned the latest edition is valid.

26 Supplier Signatures

With our signature, we hereby confirm this Supplier Quality Agreement. We agree that exceptions to this agreement can only be part of a binding agreement after duly authorized agents of Datwyler countersigned the exceptions.

Supplier's name:

Date and place:

Name: Title:	Name: Title:

Company stamp:

This Supplier Quality Agreement supersedes previous versions and shall remain the property of Datwyler Sealing Solutions. The supplier is entitled to make copies for his own use.

27 List of changes

Date	Index	Description of change
25. Jan. 2011	MC07	Addition with OHSAS 18001
20. Dec. 2011	MC08	Re-branding → Change of name to Datwyler Division Sealing Technologies
30.04.2013	MC09	Adjustment in 6.7 Requalification test / 7. Corrective actions / 19. Supplier evaluation / 1.1 Change name in Sealing Solutions / Confirmation
08. Dec 2015	MC10	Revision and copy in DSS standard report template.
06.02.2018	MC11	General revision (modifications acc. IATF 16949)