

# Supplier Requirements Manual

## Watlow's Global Footprint



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## 1.0 Introduction

Watlow is the largest custom designer and manufacturer of industrial electric heaters, sensors and controllers; with offices and manufacturing facilities around the world, providing customers with thermal expertise for numerous applications, including semiconductor processing, energy processes, diesel emissions, foodservice equipment, life sciences, refrigerated transportation, and many others. Watlow's suppliers have always been and will remain critical to our continued success!

Watlow's customers define value. Watlow's behaviors are focused on ensuring that we produce high quality products that meet and exceed their expectations. Since Watlow's suppliers directly support the value stream that starts and ends with the customer, our supplier's alignment to, and their thorough understanding of Watlow's expectations, vision, and what we value is vital to Watlow's ability to meet our customer's needs in the end.

## 2.0 Objectives and Scope

The objective and scope of this document is to define the general requirements applicable to every Watlow supplier throughout the world who is providing goods or services to all Watlow locations.

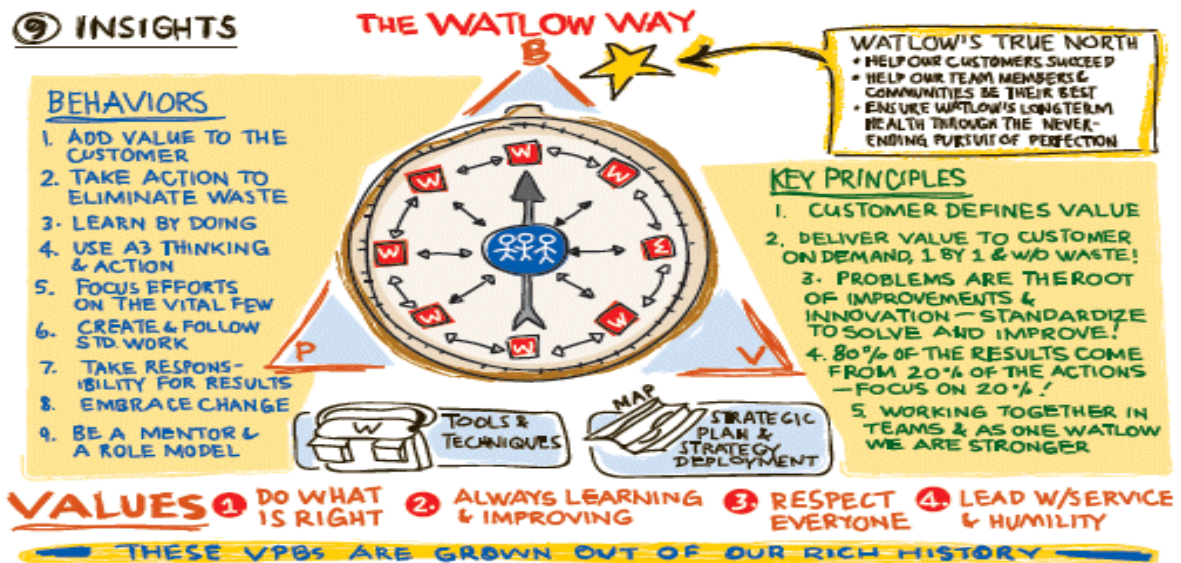
For the purposes of this document, those organizations that provide goods and/or services to Watlow hereafter will be referred to as "supplier" or "suppliers".

## 3.0 Watlow's Purpose, Values, and Vision

The purpose of any organization should help to describe and explain why the organization exists in the first place. Watlow's purpose is; "Enriching Lives through Inspired Innovation".

Watlow's values are included as a primary component of what Watlow refers to as the "Watlow Way" and are aligned to our purpose. The Watlow Way (pictured below) is a pictorial summary of the values, behaviors, principles, tools, and strategies that when applied to our work are intended to help us achieve our "true north" goals...

Watlow's vision, "The world's leading companies start with Watlow for all their thermal needs", indicates Watlow is ready to meet the most demanding challenges, provide unparalleled performance (product and service), and thrilling our customers with our products, experience, and service. In order for Watlow to offer a product and provide the service our customer's value, we also need suppliers that are prepared and ready to do the same!



## 4.0 Supplier Ethical Responsibility

Watlow has established this requirement to ensure its supply chains are safe, workers are treated with respect and dignity, and business operations are environmentally responsible and conducted ethically. Fundamental to this requirement is the understanding that a business, in all its activities, must operate in full compliance with the laws, rules and regulations of the countries in which it operates.

Policies, procedures, standards or statements shall be used to define and communicate the following requirements within the organization.

### 4.1 Labor

- Freely Chosen Employment: Forced, bonded or indentured labor, involuntary or exploitative prison labor, slavery or trafficking of persons shall not be used
- No use of child labor: The word child defined as any person under the age of 15, or under the minimum age for employment in the country, whichever is greatest
- Working hours not to exceed the maximum set by local law
- Wages and benefits: Compensation paid to workers shall comply with all applicable wage laws, including those relating to minimum wages, overtime hours and legally mandated benefits
- Humane treatment: Harsh and inhumane treatment (including sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse) of workers is forbidden
- Non-discrimination: A workforce free of harassment and unlawful discrimination on the basis of race, age, gender, sexual orientation, ethnicity or national origin, disability, pregnancy, medical condition, religion, political affiliation or marital status shall be maintained
- Freedom of association: In conformance with local law, suppliers shall respect the right of all workers to form and join trade unions of their own choosing, to bargain collectively and to engage in peaceful assembly as well as respect the right of workers to refrain from such activities

### 4.2 Health and Safety

Suppliers certified to recognized management systems such as OHSAS 18001 and/or International Labor Organization (ILO-OSH-2001) sufficiently meet Watlow's requirements. Otherwise, the following requirements apply:

- Occupational Safety: Worker potential for exposure to safety hazards are to be identified and assessed and controlled through proper design, engineering and administrative controls, preventative maintenance, safe work procedures and safety training - Where hazards cannot be adequately controlled by these means, workers are to be provided with personal protective equipment (PPE) and additional educational materials
- Industrial Hygiene: Worker exposure to biological and physical agents is an occupational safety hazard, as such they are to be eliminated or controlled as a safety hazard
- Physically Demanding Work: Recognizing them as common causes for occupational injury means that heavy lifting, repetitive work, prolonged standing, forceful assembly tasks need to be identified evaluated and controlled as part of occupational safety
- Machine Safeguarding: Production and other machines are to be evaluated for safety hazards - Physical guards, interlocks and barriers are to be provided and properly maintained where machinery presents an injury hazard
- Health and Safety Communication: Communication and training as required to control hazards or mitigate risks to employee health/safety are provided in a manner/language to which the worker can understand
- Emergency Preparedness: Emergency plans and response procedures shall be defined and include emergency reporting, employee notification and evacuation procedures, worker training and drills - Appropriate fire detection and suppression equipment, clear and unobstructed egress to exit facilities and recovery plans
- Occupational Injury and Illness: Systems are in place to prevent, manage, track and report occupational injury/illness
- Sanitation, Food and Housing: Access to clean toilet facilities, potable water, sanitary food preparation/storage and eating and living facilities where applicable

### 4.3 Environment

Supplier systems certified to recognized management systems such as ISO 14001 and the Eco Management and Audit System (EMAS) are acceptable, if not the following requirements apply:

- Environmental Permits and Reporting: All environmental permits, approvals and registrations required by local law are to be obtained, maintained and kept current
- Pollution Prevention and Resource Reduction: Emissions and discharges of pollutants and generation of waste are to be minimized or eliminated at the source - The use of natural resources including water, fossil fuels, minerals and virgin forest products is to be conserved or eliminated via substitution
- Hazardous Substances: Chemicals posing a potential hazard to humans or the environment shall be identified, labelled and managed to ensure their safe handling, movement, storage, use and disposal
- Solid Waste: Identify, manage, reduce and responsibly dispose of solid waste (non-hazardous)
- Air Emissions: Volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting chemicals and combustion by-products generated from operations are to be characterized, routinely monitored, controlled and treated as required by local law/regulation prior to discharge - Regular monitoring of the performance of its air emission control system is required
- Material Restrictions: Participants are to adhere to all applicable laws, regulations and customer requirements, regarding prohibition or restriction of specific substances in products (RoHS, Reach, Cal Prop65) and manufacturing
- Water Management: Shall implement a water management program that documents, characterizes and monitors water sources, use and discharge. Conservation as per resource reduction - All wastewater to be characterized, monitored, controlled and treated as required prior to discharge or disposal
- Energy Consumption and Greenhouse gas emissions: Energy consumption and greenhouse gases shall be tracked and reported per local government law and regulation

### 4.4 Business Ethics

- Business integrity: Zero tolerance policy to prohibit all forms of bribery, corruption, extortion and embezzlement
- No Improper Advantage: The supplier shall not promise, offer, authorize, give or accept bribes (monetary or otherwise) or issue threats in order to obtain or retain business, direct business to any person or otherwise gain an undue or improper business advantage
- Disclosure of Information: All business dealings shall be transparently performed and accurately reflected on the company's accounting books and records. Information regarding labor, health and safety, environmental practices, business activities, structure, financial situation and performance is to be disclosed in accordance with applicable regulations and prevailing industry practices - Falsification of records or misrepresentation of conditions or practices in the supply chain are unacceptable
- Intellectual Property: Intellectual property rights are to be respected, transfer of technology and know-how is to be done in a manner that safeguards the intellectual property rights of customer and supplier
- Fair Business, Advertising and Competition: Standards of fair business, advertising and competition are to be upheld
- Protection of Identity and Non-retaliation: personnel must be allowed to raise any concerns without fear of retaliation while maintaining their confidentiality and anonymity, unless prohibited by law
- Responsible sourcing of Minerals: The supplier shall reasonably assure that the tantalum, tin, tungsten and gold in the products they manufacture does not directly or indirectly finance or benefit armed groups that are perpetrators of serious human rights abuses in the Democratic Republic of the Congo or an adjoining country. A Conflict Minerals certification to be "DRC (Democratic Republic of the Congo) free" for products containing tin, tantalum, gold and tungsten is also sufficient
- Privacy: Participants are to comply with privacy and information security laws and regulatory requirements when personal information is collected, stored, processed, transmitted and shared regarding suppliers, customers, consumers and employees

## **5.0 Becoming a Watlow Supplier**

Watlow utilizes a documented process within our quality system that defines how to select, evaluate, and approve a new supplier for Watlow. Objective criteria including quality system capability, process maturity, technical excellence, delivery, services, value add capabilities, and cost are all variables that the team assigned to select the supplier will apply in determining the best partner, whether the supplier is a new or an existing Watlow supplier.

The Watlow supplier selection process is focused on finding strong partners, suppliers dedicated to superior performance to the requirements defined in this manual, those willing to work with Watlow to ensure alignment to and understanding of Watlow's expectations, and those that desire a long term mutually beneficial relationship.

## **6.0 Watlow's Supplier Quality Management System Requirements**

### **6.1 Health, Safety, and Environment**

All of Watlow's suppliers are expected to conform to all governmental requirements mandated for their business, processes and maintain safety records. It is also expected that Watlow's suppliers have appropriately documented safety prevention, safety sustainment programs, and safety goals in operation at their facility, with regular training and audits conducted to verify compliance to those documented programs and applicable processes.

### **6.2 Quality Systems Management and Improvement**

Watlow expects our suppliers to have current registration to ISO, IATF, AS, or other internationally recognized quality system, and reserves the right to audit. However, there can exceptions:

If a supplier's quality system is not registered, it is Watlow's expectation the system is documented, aligns, and is compliant with the latest revision of ISO9001, IATF16949, AS9XXX, etc., which must include the execution of internal audits to verify system compliance and operation on a regular basis.

If a supplier's quality system is not registered or compliant, Watlow still may choose to invest in working with the chosen supplier and "develop" key quality system elements as a condition of approval and initial use.

There are certain parts where ISO/IATF registration/certification is required of our suppliers. When this is a requirement, it will be communicated by Watlow through specific verbiage on Watlow's Purchase Order, Long Term Supply Agreement, or Design Specification/Drawing documentation as appropriate.

Any change in approval/registration status of a third-party registration by an accredited registrar must be communicated to Watlow in writing, sent to your Watlow purchasing or quality contact as soon as possible once the change of status is known.

### **6.3 Business Continuity Planning**

Watlow expects our suppliers to have a Business Continuity Plan (BCP) which documents the plan for replacing lost capacity of critical processes as a result of potential threat to the company operations.

Watlow expects our supplier to be able to provide continuous supply of product. As risk mitigation against partial capacity or complete production disruption, the BCP can help the planning necessary to ensure there be less than four weeks disruption in service due to the loss of a critical process.

Critical processes are defined as those specifically unique and/or proprietary to the organization. This plan shall provide for the replacement of lost capacity for any one or all these processes, (this may be on site or off site or third party.)

The delta between the time it takes to bring the replacement capacity online and four weeks would be the guideline for the inventory levels needed to bridge the gap.

## 6.4 Product Quality Planning

Ensuring the product meets a customer's expectations must start early in product requirements planning. Recognizing and addressing the risks and variables, starting with the supply chain on through delivery of the product to the customer, which can affect the quality of the product being produced, is expected to be a priority during product development.

Watlow currently does not dictate our suppliers must conform to any product quality planning methodology or tool usage, such as the Advanced Product Quality Planning (APQP) Core Tools used in the automotive industry. However, we do expect that each of our suppliers have systems in operation which allows proactive assessment of the risks to their products, leading them to take necessary action to mitigate the risks identified.

In the cases where Watlow will require certain quality and other methodologies and tools be applied to the product being supplied, Watlow will work with the supplier to implement any specific need during product development.

## 6.5 Training

The supplier shall have a documented training program for new and current employees. Training schedules and records of training completion maintained. In addition, cross-training shall be an element of the program to mitigate various risks and meet customer demand for key processes and select functions. Examples of risk include; absenteeism, employee turnover, poor quality, and increased demand.

Watlow may also expect suppliers to train to certain Watlow procedures and requirements as we conduct business with the supplier. If this is applicable, Watlow will initiate the activity.

## 6.6 Internal/Self Audits

The supplier shall have an internal/self-audit system in operation which assesses compliance to the organization's quality system elements annually at a minimum.

It is expected these audits are planned and completed per the schedule, with any resulting corrective actions completed in a timely manner.

In specified situations, Watlow shall require the supplier to conduct audits of their compliance to product and process documentation, such as product audits to print and process audits to manufacturing documentation.

## 6.7 Corrective Action/Problem Solving System

It is expected that all Watlow's suppliers have a documented and implemented process/processes that manages both internal (issues owned internal to your organization) and external (issues owned by suppliers) supplier corrective actions.

Watlow expects our suppliers apply and execute the 8D methodology in their problem solving and communications of the work to Watlow.

At a minimum, the corrective action process must achieve the following:

- Thorough Definition of the Problem (target is within two (2) working days of notification)
- Effective Containment of the Problem (target is within two (2) working days of notification)
- Define and Verify the Root Cause of the Problem\*\*\* (within 10 working days)
- Identify and Verify Permanent Corrective Action Plan (within 10 working days)
- Implement/Validate Permanent Corrective Action Plan (Per corrective action plan schedule)
- Identifying and Implement Preventative Action Plan (Per corrective action plan schedule)

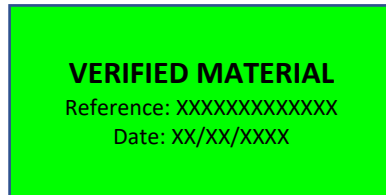
\*\*\*Apply an appropriate quality tool(s) to facilitate getting to "root cause" is highly recommended (e.g. Five Why's, Cause Chains, and Fishbone (5M+E) Diagrams)

## 6.8 Special Material Identification Requirements

When directed by Watlow, usually in the case of reworked or 100% inspection/sorting, the supplier may be required to apply a label (defined below) to the material's packaging (ie. outer/inner shipping containers, bulk part packaging, reel packaging, etc.) indicating the material was verified to meet specifications prior to shipping to Watlow.

This requirement will be implemented when special handling and/or identification of material status is needed. Most commonly, the requirement will be applied when the supplier plans to ship material associated with non-conformance containment sort/inspection/rework during a timeframe defined by Watlow.

The label applied shall be an AVERY brand (or equivalent) 1" H x 2" W rectangular label, "neon green" or similar color, with the ability to use a printer to create a label like the following, or with content as needed:



## 6.9 Change Control and Communication

Watlow recognizes that a continuous improvement philosophy encourages product changes, sourcing/sub-contractor changes, and process and manufacturing improvements. However, to ensure against any unforeseen impact to Watlow or its customers, Watlow expects that our suppliers have appropriate processes in place to manage those changes and to recognize when Watlow requires notification or needs to approve the change before proceeding with the implementation of the change.

Watlow has established a Supplier Change Control and Communication Requirements Process, 10-14866 (QSP-7.4.10). The "Control Level" of the supplied item is established by Watlow and is important in determining how the supplier shall manage the change. When a supplier has a change pending for the affected item, the supplier will apply this process to determine if Watlow needs to be notified or approval of the change is needed prior to the supplier's implementation.

If there is not a control level identified on the product drawing/print/spec or PO, the requirement of 10-14866 (QSP-7.4.10) does not apply to the part.

When there is a control level identified "Supplier Change Control and Communication Policy" 10-14866 (QSP-7.4.10) applies.

You may find the change submission form, policy, and training presentation at the Watlow supplier requirements website: <https://www.watlow.com/en/resources-and-support/additional-support/supplier-requirements>

## 6.10 Procurement Systems and Control

The supplier is expected to have a defined method of evaluating and approving new suppliers, involving multiple functional resources, typically including purchasing, engineering, and quality in the process.

The supplier is expected to establish goals and monitor the performance of their suppliers to meeting their goals and take appropriate action when their suppliers fail to meet the goals established. Records of actions taken shall be maintained.

## 6.11 Prevention of Counterfeit Material

Watlow's suppliers shall plan, implement, and control processes, appropriate to the supplier's business and product, for the prevention of counterfeit or suspect counterfeit material use and their inclusion in the product(s) delivered to Watlow.



## 6.12 Calibration and Preventative Maintenance

The supplier is expected to maintain calibration of inspection/test equipment traceable to national or international standards. The calibration system shall maintain a schedule, and records of gage/equipment calibration status.

Preventive maintenance program shall be scheduled, and records maintained to ensure appropriate operation throughout the expected life of the equipment.

Schedules for both Calibration and Preventive Maintenance shall be in line with or exceeding the equipment manufacturers recommendation.

## 6.13 Receiving/Incoming Inspections, In-Process Inspections, and Final Testing/Inspection

The supplier is expected to apply appropriate inspections and testing throughout their manufacturing process to ensure customer requirements are met, with appropriate countermeasures defined to manage nonconforming material.

## 6.14 Material Management and Control

The supplier is expected to maintain appropriate material storage and handling of raw materials, components, and sub-assemblies throughout the manufacturing process.

This would include proper environmental (temperature, humidity) and electrostatic discharge (ESD) protection when required and defined by the material manufacturer, maintained from receipt to delivery of final product to customer. Shelf Life and First-In-First-Out (FIFO) systems shall be maintained.

The supplier shall have a system of identification and tracking material within their defined manufacturing process.

The supplier shall have a system of control of "non-conforming material" which assures appropriate segregation, timely disposition, and records be maintained. Appropriate segregation includes; separated from conforming material, identified as non-conforming visually, and actions taken to avoid accidental integration back into manufacturing...

## 6.15 In Process Control

The supplier shall maintain systems which define how an operation (manufacturing and non-manufacturing functions) is intended to function (ie. standard operating procedures, work instructions, control plans, etc.) and define appropriate verification ensuring the output conforms to defined requirements.

Non-Custom, Off the Shelf, Catalog, and similar items Watlow purchases which are manufactured according to the supplier/manufacturer specifications:

- Manufacturing documentation defining how the item supplied is to be manufactured to ensure consistent and repeatable product is produced to published specifications (ie. routers, travelers, work instructions, control plans, etc.)

Custom for Watlow items manufactured according to Watlow's specifications shall apply the following manufacturing documentation, at a minimum, to define what and how the custom item is produced:

- Design Records/Customer Specific Requirements
- FMEA (Failure Mode Effect Analysis)
  - Process FMEA
  - Design FMEA, if applicable
- Bill of Materials
- Change Records/Customer Approval Records (PPAP's, FAI's, PCN's etc.)
- Control Plan(s)

- Work Instructions supporting Control Plan
- Records (test, inspection, process, etc.) supporting Control Plan
- Sub-Tier Supplier Control Documentation (as applicable - prints, specifications, work instructions, etc.)

Any exceptions to these requirements must be submitted to and approved by Watlow Supplier Quality Engineering.

## 6.16 Packaging and Shipping

In some cases, Watlow may define the packaging requirements and it is expected the supplier work with Watlow to meet these requirements.

When the packaging is not defined by Watlow, the supplier is expected to package the product per their own internal standards. The resulting packaging shall always be sufficient to protect the product from damage during normal shipping and handling to Watlow.

## 6.17 Lean Manufacturing

“Lean Manufacturing” or “Lean” is a culture of elimination of waste in the operation of a business without the loss of productivity.

Watlow’s expectations of our suppliers regarding Lean Manufacturing is as follows: Watlow expects our suppliers to maintain a clean and organized workplace, be supportive of Watlow’s lean initiatives, and be open to learning how certain lean tools and techniques could also help their business minimize waste and create a more efficient and productive environment.

## 7.0 Supplier Performance Expectations

### 7.1 Perfect Quality

The quality target will always be zero non-conformances and zero supplier corrective action requests issued.

- Watlow supplier performance is monitored and reported to Watlow leadership monthly and to select suppliers quarterly, or as required based on performance.
- Specific quality performance and year over year improvement goals may be established at the discretion of the Watlow Supplier Quality Engineer for any Watlow supplier based on their performance.
- Long Term Agreements and other procurement documents may also establish general performance expectations and targets. However, if there is a goal established by Watlow Supplier Quality, generally based on current and historical performance and potential impact on Watlow, those goals shall always take precedence over any other stated targets.

All products supplied to Watlow are expected to conform to all procurement documentation requirements established prior to delivery, unless formal approval from Watlow to deviate to any stated requirement is authorized. Supplied product that does not conform to stated requirements will be deemed “non-conforming” and will be dispositioned in accordance to Watlow’s standard operating procedures.

Non-conforming material: Watlow’s suppliers are expected to address their quality issues as a priority at all times in order to contain the issue and initiate appropriate containment and corrective/preventative action. When supplied non-conforming material is discovered, or overall supplier performance is not acceptable, Watlow may choose to:

- Request a vendor RMA# and return any suspect product for credit with shipping costs paid by the supplier. A credit memo shall be provided to Watlow Accounts Payable department upon the receipt of the RMA. If no credit memo is received, the amount of the credit will be deducted from the next payment issued to this supplier.

- Any material confirmed to be conforming to all requirements may be inspected and returned on the next PO or scheduled release of the blanket PO.
- Supplier Corrective Action Request (SCAR) (request for corrective and preventative action which requires an 8D report or similar.
- Issue a Supplier Notification (awareness expected to trigger the supplier into appropriate corrective/preventative action without needing to provide report to Watlow)

## 7.2 Perfect Delivery

100% On Time Delivery “as promised” to Watlow (OTP) and 100% On Time Delivery to Watlow’s “request” (OTR) is always the target.

Long Term Agreements and other documents may also establish general performance expectations and targets. Watlow Sourcing may choose to establish other goals or improvement objectives for select suppliers at their discretion.

Watlow measures On Time Delivery, by comparing the date at which an item is received on Watlow’s dock to the date confirmed by the supplier (OTP), and the date requested by Watlow (OTR), on the Watlow purchase order. If an item is delivered between the date on the purchase order (as promised date) and 3 day prior, it is counted as an “on-time.”

Changes to purchase orders often occur during the course of normal business. Our suppliers are strongly encouraged to request an updated purchase order from Watlow whenever a change or modification is made and agreed upon between the supplier and Watlow buyer. This can help ensure accurate data is in Watlow’s system, vital for Watlow production planning and for analyzing a supplier’s on time delivery performance.

## 7.3 Responsiveness

Watlow will measure a supplier’s responsiveness objectively through their timely response and closure of Supplier Corrective Actions. If the action is closed after the due date, the SCAR will be considered late and will flag the responsiveness metric as non-conforming. The goal will always be zero late responses.

Watlow also considers a supplier’s responsiveness subjectively, which often can impact the perception of a certain supplier. There are a variety of things a supplier can do to preserve this attribute, such as timely response to emails, phone messages, order acknowledgement, requests for quotes, engineering/quality inquiries, meeting requests, data requests, etc..

## 8.0 Supplied Part/Product Technical Requirements

### 8.1 Purchase Order

The Watlow purchase order will identify the part number, the drawing number and revision if applicable. The purchase order may identify the supplier change control level if the part is subject to Watlow’s supplier change control and communication.

The purchase order may have additional requirements for the product (e.g. certifications, change control level, packaging, labeling, etc..) and should be reviewed by the supplier prior to acceptance of the order.

Supplier Control Level and change communication

The “Supplier Control Level” the part control level per 10-14866 (QSP-7.4.10) policy. When a change is pending for the affected item, the supplier is to cross reference the type of change versus the control level via the table in the policy to determine whether Watlow requires Notification or Approval prior to implementation.

- If there is not a control level identified on the product drawing, or PO the requirement of 10-14866 (QSP-7.4.10) does not apply to the part.
- When there is a control level identified “Supplier Change Control and Communication Policy” 10-14866 (QSP-7.4.10) applies.

Depending on control level and type of change, 10-14866 (QSP-7.4.10) will define the actions required of the supplier. Actions needed will be one of the following: no action, change notification to Watlow, or hold implementation for Watlow approval.

You may find the change submission form, policy and training presentation at the Watlow supplier requirements website: <https://www.watlow.com/en/resources-and-support/additional-support/supplier-requirements>

## 8.2 Traceability

There may be traceability requirements on the PO or on the drawing. In this case, the drawing and PO requirements will over-ride the traceability requirements defined in this manual. If no traceability requirements are defined on the PO, or part drawing, the requirements are as follows:

Each container, both master and minor containers (bag, box, etc) delivered to Watlow must be identified with a manufacturer lot #. The format of the lot number is not critical. Some examples may be: work order, date code, etc. The number shall be traceable to the manufacturer’s raw material lot #'s, and process information, including outside contractors, if any.

## 8.3 First Article Inspection Reports (FAIR)

A part manufactured to a drawing/Engineering specification provided to the supplier is considered “custom for Watlow” and the supplier control level on the specification sheet will be a 3 or a “4”. For all custom parts, a FAIR is required to be delivered with or in advance of part shipment for the first receipt from a supplier, and for the first shipment of a new revision.

A typical First Article inspection should include:

- First Article Inspection Report complete with all dimensions verified and actual measurement recorded and a positive acknowledgement of every general note on the engineering drawing, including a bubble drawing numbering the features reported.
- Raw material certifications to applicable industry or manufacturer standards
- Subcontractor (i.e. plating, welding, PCB fabrication, cleaning etc certificates of conformance to specified requirements
- Additional documentation, such as Process Control Plan, PPAP or work instruction, if applicable
- A first article inspection report meeting AS9102B is acceptable.

Approval of FAI by Watlow and the acceptance (without rejection) of the first shipment, can be considered the release for shipment of future product. (ISO 8.4.3.b) If signoff by Watlow is required by the supplier, please contact your buyer to assist you.

## 8.4 Hazardous Materials

Hazardous Materials shall include an MSDS with the shipment. The container and product shall be labeled per OSHA Hazard Communication Standard, 29 CFR 1910.1200 (HCS), which is in alignment with the United Nations’ Globally Harmonized System of Classification and Labelling of Chemicals (GHS).

## 8.5 Compliance Programs (RoHS, REACH, Conflict Minerals, UL, etc.)

When the compliance program is a requirement per PO or Drawing, it is the supplier’s responsibility for assuring compliance. Evidence of compliance shall be available and furnished upon request. Certification of compliance should be provided to Watlow with FAI report on the first shipment.

Certifications, if needed will be requested via the drawing or the PO.

## 8.6 Trade Compliance (for suppliers of foreign goods or suppliers exporting to the U.S.)

It is, by law, that for any foreign (non-U.S.) goods we must provide the U.S. purchaser with the proper country of origin. For vendors who are exporting to the U.S., the proper country of origin must be stated to U.S. Customs for admissibility, duty and other reasons.

The supplier shall provide, up front, a written and signed non-preferential certificate of origin, as well as, including the origin on the invoice at the line item level.

Should the origin of a product change, the supplier shall provide an updated signed non-preferential certificate of origin prior to shipping or invoicing for the affected part(s).

Discontinuation of product/services: Watlow requests one year notification of product or service obsolescence. If this is not possible, Watlow requests a last time buy option for a negotiated quantity of material to secure a minimum of one year supply.

## 9.0 Exceptions to this Document

This document establishes the general expectations of Watlow's suppliers, which may or may not be defined by other procurement documentation, such as purchase orders, terms and conditions, design specification/drawing, supply agreements, or other specific contractual agreement with the supplier.

If there are any exceptions or additions to what this guide defines which are mutually agreed upon, those details shall be defined in one of those documents noted above.

## 10.0 Approvals

- Director(s) of Supply Chain
- Director of Quality
- Engineering Manager- Supplier Quality

## 11.0 Revision History

Revision	Date	Section	Description
	May 19, 2008	Purpose and Scope Quality System Added Revision and Approval Record Cover Page	Added specifics for TS16949 supply chain requirements Added specifics for TS16949 supply chain requirements Added Revision and Approval Record Removed word "Corporate" from cover page
	June 13, 2008	Added Sub-Tier Supplier Right of Entry	Sub-Tier Supplier Right of Entry requirement
	October 9, 2009	All	Overall content redesign and reformat
	January 11, 2011	All	Update past due SCAR expectations, supplier development detail, and clarify grammatical usage in multiple sections
	June 23, 2011	5.3 and 4.1	5.3 Modified TS16949 heading to remove 2002 reference and added reference to Conflict Minerals in Section 4.1
	December 4, 2013	All	Transition content to supplier requirement guide document
	January 10, 2014	all	completely revamped
-			Created new part number for PLM, 10-02854
A	Sep 24, 2019	All	Update to add Business Ethics and Supplied Part technical requirements
B	December 18, 2020	All	Reformat, addition of Counterfeit and Special Label Requirements
C	February 4, 2021	7.0	Simplified quality and delivery performance criteria
D	May 11, 2021	6.15	Defined expected and required manufacturing documentation to ensure In Process Control of supplied items