

hagergroup

Working with us.

Hager Group Vendor Manual

Hager Group is a leading provider of solutions and services for electrical installations in residential, commercial and industrial buildings. Our range of solutions and services extends from energy distribution to cable management and from security systems to building automation.

As an independent family-owned and family-run company based in Blieskastel, Germany, we are one of the industry's innovation leaders. 11.500 employees generate sales of around 2 billion Euro. Our components and solutions are produced at 22 locations around the globe and customers in 136 countries all over the world trust in them. We owe our success to their trust.

Hager Group

Innovative across the board



3.000

Number of active patents



> 6%

Share of sales invested in research and development



> 14h per year

Average number of hours of professional training per employee

Hager Group brands – the specialists

:hager

Hager brand provides a complete range of products and solutions for electrical distribution in industrial and professional buildings as well as the home.

**B.
Berker**

Berker switches and systems are used all over the world, making life easier, more beautiful and convenient.

ELCOM.

Elcom is a specialist in state-of-the-art communication systems and creative entryway designs.

DAITEM

As the inventor of wireless technology in alarm systems, Daitem is one of the leading brands in the alarm and security systems for electrical engineers and planners.

diagral

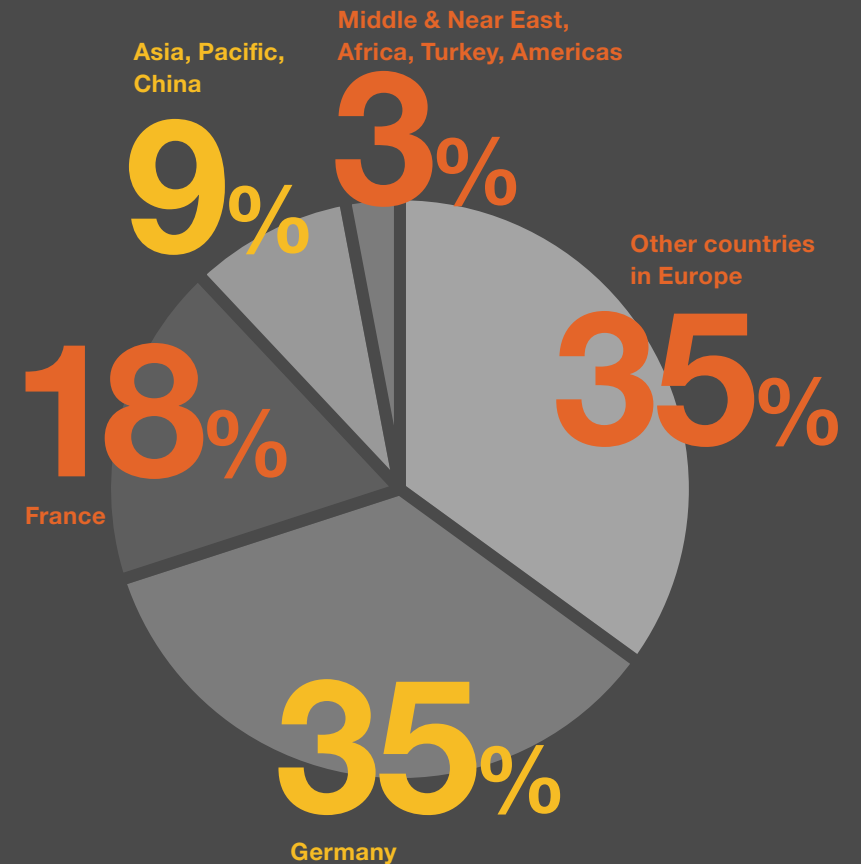
Since 1990, Diagral has been one of Europe's leading brands for wireless alarm systems for easy assembly in the private sector.

E3A DC
ENERGY STORAGE

B. BOCCHIOTTI

Bocchiotti is a specialist in production and distribution of solutions and services in the field of cable management and small distribution boards for domestic and industrial applications.

Turnover by market



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Bernd Kehl

“We are counting on you to reach a common level of Excellence!”

Hager Group Sourcing – working with us

Hager Group is focusing on Excellence and aims to deliver solutions to its customers based on high-quality products and services. To meet these objectives, Hager Group needs the best levels of performance from its external vendors with regard to quality, innovation, sustainability, on-time delivery and cost. Join engagement in continuous improvement processes, new product development and innovations are our key leverages to achieve mutual benefits.

The processes and expectations outlined in this **vendor manual** define responsibilities from both sides, that means from Hager Group and its external vendors, and serve as reference to structure and facilitate relationships between us. Our vendor plays a major role in our success, and we will make sure our best performing partners will grow with us.

Fundamentals

We act ethically and responsibly, growing and empowering people and caring about our environment.



A value added venture

A family business shaping tomorrow's electrical world to make people's life on our planet safer, cleaner and more enjoyable.

For the future, three is our magic number

The fundamental changes in our sector are being driven by a variety of forces. We have identified three main factors whose effect on Hager Group goes well beyond our day-to-day operational work, becoming focus of all of our activities and planning:

01 Digitalisation –
communication via our web portal

02 Sustainability –
E3 & UN Global compact

03 Values & Culture

Concentrating on these three core topics, we are transforming all areas and departments of Hager Group, making it a future-oriented company. Our ambitions are aimed at using this process of transformation to become, in the long-term, an organisation with a turnover of three billion euros and 20,000 employees.

Digitalisation Hager Group in the digital age

There are four pillars to our digital strategy:

- Digital Engineering
- Digital Value Chain
- Digital Marketing
- Digital Installation

In addition to this, software and data quality as well as cyber security are important. To this end, we are developing a global, secure IT architecture that will allow us to meet the challenges of the digital age head-on.

Our strategy aims to bring together physical and digital customer touch-points to make them even more consistent. This is the prerequisite for developing and excellent and consistent customer experience, and also for creating new services for our business, customers and end users. To do this, we must further optimise our digital processes and drive forward both vertical and horizontal integration, from the construction phase to the after-sales service phase. In addition, we are positioning our business and our processes so that we can integrate the various applications of industry 4.0.



Cyber
Security

Digital
Installation



Digital
Marketing



Digital
Engineering



Digital
Value Chain



Software and
Data Quality

Supplier collaboration with Ariba

Hager Group will also strive for digitalised processes in the interaction with its vendors. As digital infrastructure Hager Group has chosen **SAP Ariba**. SAP Ariba provides with the Ariba Net a digital interface that allows an easy exchange of Data and information without creating any costs for suppliers. For example the Ariba Net enables our supplier to maintain and update their master data whenever needed and make the update of ISO certificates and other documents very easy. In future we will send our request for information or quotation solely through this digital interface to our supply partners. The answer from our supplier should be also made through this interface what enables us to evaluate the offer of our suppliers by using digital tools. This helps us to be faster in decision making and have fully transparent decision processes.

It goes without saying that we will only work with suppliers that will use the Ariba net as a communication platform with Hager Group. Suppliers that will not use this platform can't be future partners of Hager Group.

The future is digital. That means additional digital solutions for the interaction with our supplier will be implemented in future. This will help to make the procure to pay cycle faster and more transparent and save costs and efforts for our suppliers and for Hager.

For example: hagercad

Using this design tool, our customers can plan intelligent and complex installations on screen, integrating Hager products in a more effective and simpler way. hagercad also allows customers to create technical drawings and save them on the myHager platform, where they can be retrieved at a later date. The extension Hager 5.0 supports the planning of complex electric installations, including a building plan. hagercad is currently available in the UK, France, Switzerland, Portugal, Poland, Sweden and Estonia.

Why SAP Ariba for Hager Group

In our digital economy, Hager Group will endeavor for digitalised processes and for achieving new levels of business performance. That's why Hager Group is using SAP Ariba in order to manage its purchasing activities and to enhance its supplier's collaboration.

Ariba is easy to use and free of charge for Hager Group's suppliers. However, a one-time account creation of the supplier to SAP Ariba is necessary.

As the world's largest purchasing web-based business community, Ariba allows an easy exchange of data and information. SAP Ariba provides comprehensive means for Hager Group and its suppliers to ease business commerce. These means bring some mutual benefits amongst which:

Benefits of Ariba



Costs saving



Fast, real time information exchange



Efficient data management (single data entry portal)



High data security standards



B2B supplier network



Worldwide standard supplier platform



Elimination of unnecessary activities and acceleration of the sourcing cycle



Automation and reduction of administrative tasks



Lower administrative and legal costs



Reduction of operating and regulatory risk



Reduction of IT costs and risk



Mitigation of supply risk through continuous performance measurements and improvement

Furthermore, besides your business relationship with Hager Group a seller account on SAP Ariba opens the doors for you to:

- An increase in customer retention
- A growth in existing accounts
- Higher bid competitiveness
- A decrease in late payments
- An improved reconciling payment

SAP Ariba solutions

Hager Group is using three Modules from SAP Ariba to enhance its supplier's collaboration.

These are:



SAP Ariba Supplier Lifecycle and Performance Process



SAP Ariba Sourcing Collaboration



SAP Ariba Contract Solution

Contact

e-mail: vendoronboarding@hagergroup.com
phone: +33 630 27 72 07

1. SAP Ariba Supplier Lifecycle and Performance Process

SAP Ariba Supplier Lifecycle and Performance will help you to become an approved supplier for Hager Group and will facilitate your business with us for the following activities:

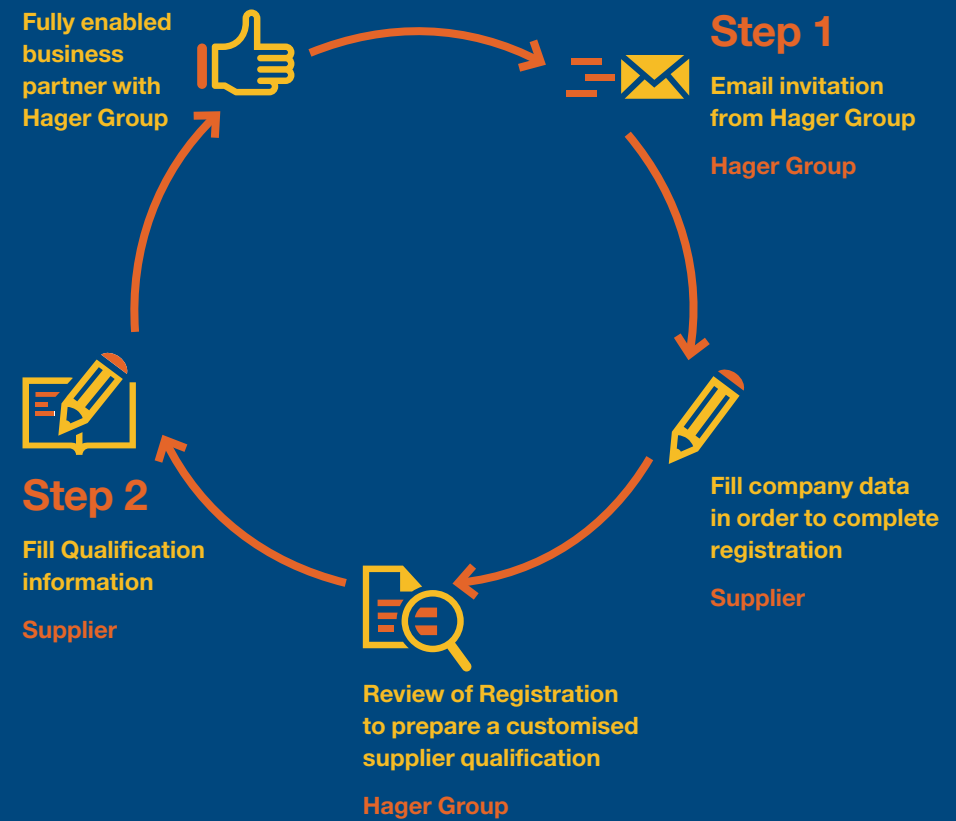
Onboarding, registration and qualification

Get started easily and begin transacting in a few minutes thanks to:

- Simplified registration and intuitive onboarding through a single, easy-to-use interface.
- Near real-time updates for supplier creation, modification and interaction between systems.

Supplier Lifecycle and Performance

A two steps onboarding process for you as a supplier:

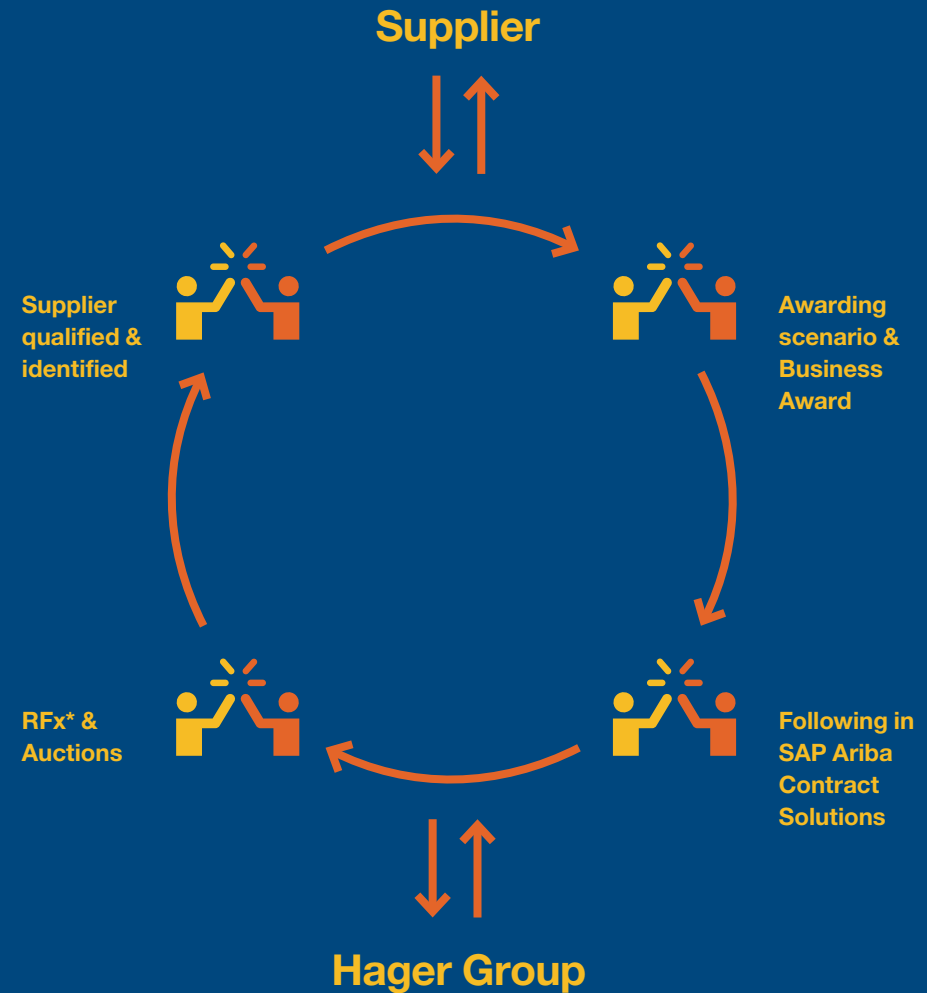


2. SAP Ariba Sourcing Collaboration

Lower administrative costs and improved account control. Speed up data exchange and enhance communication with you:

- End-to-end automation and collaboration on business activities
- Business task reminders and guided-based routing for fast and accurate collaboration
- Supplier self-cloud service on the Ariba Network for easy information management at any time

Sourcing Collaboration



*RFx:
RFI - Request for Information
RFP - Request for Proposal

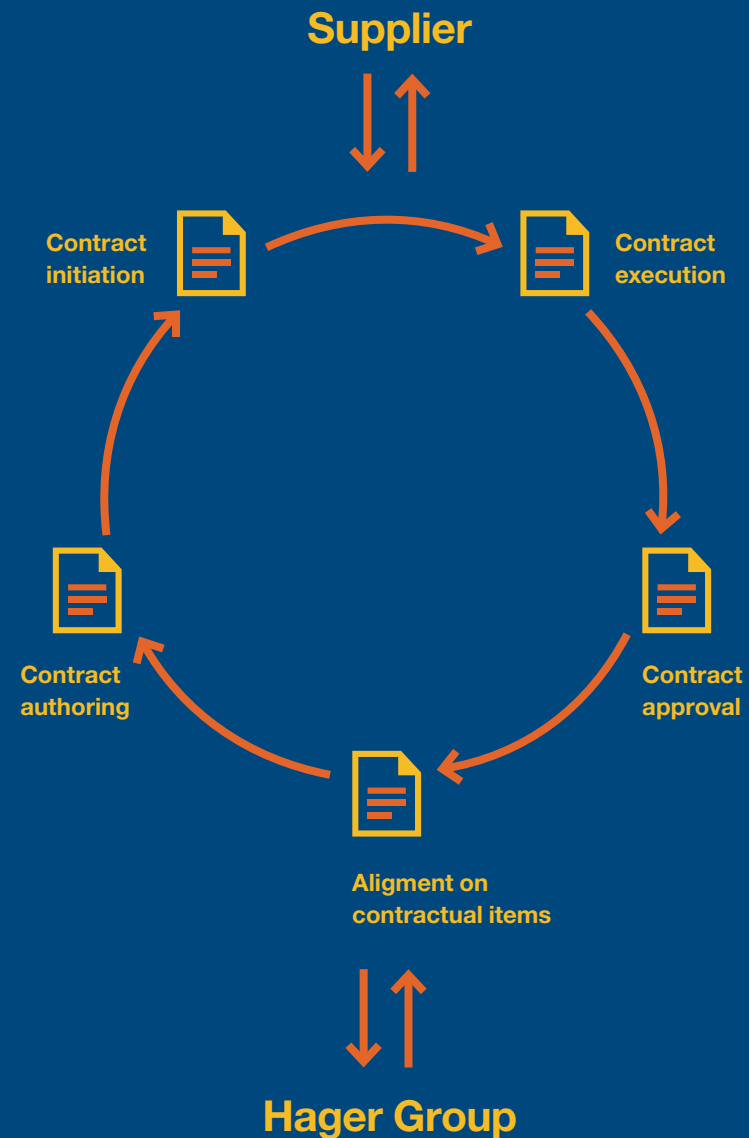
3. SAP Ariba Contract Solution

With SAP Ariba Contract, Hager Group can connect directly with you when creating, negotiating, executing, and managing ongoing contracts. This implies:

- Greater efficiency
- Lower administrative costs
- Improved relationships that result in higher-value agreements

We are convinced that these three SAP Ariba solutions will ease our joint business actions. If you may identify issues with Ariba, or have ideas to improve, please inform your purchasing contact at Hager Group.

Contract Solution



How to create an account in 2 steps

In order to continue the collaboration with Hager Group every supplier is requested to register at the Ariba Network. Please note that suppliers won't be charged for creating an account at SAP Ariba.

In only a few minutes you will be able to set up a SAP Ariba account and to enter the Ariba Network:

1

First of all, check whether you have received from Hager an E-mail containing the invitation for supplier registration.

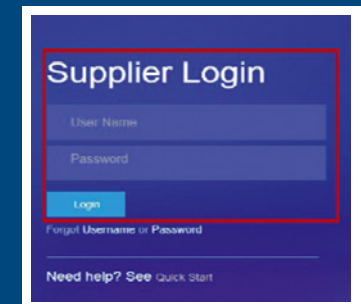
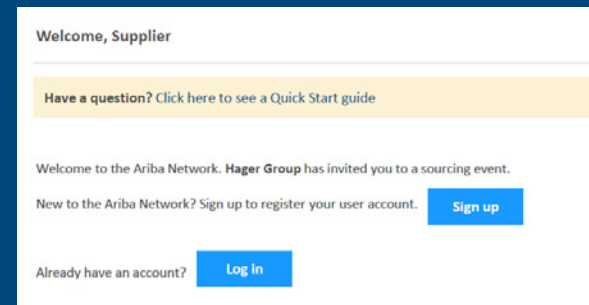


Example invitation send via E-mail.

2

Open this E-mail and select '**Click Here**' to start the registration process. In the next step select '**Sign up**' to create an Ariba Network account.

If your company has already an Ariba account and you wish to couple this existing account with this request please click on '**Log in**' and fill in your data in the blue field.



Now you will be enabled to perform all relevant steps:

- Fill in all mandatory fields.
- Choose a username and a password.
- Agree to the SAP Terms of Use and the Ariba Privacy Statement.

- Select '**Create account and continue**'.
- You will be directly forwarded to the Hager Group supplier registration form.
- Once done, you will receive an Ariba confirmation Email ("Welcome to Ariba...").

Be aware that at all times on the Supplier portal you can access the help section with all links and useful information to help you to complete your sales activities with us. After the creation of your account we can cooperate through SAP Ariba.

Sustainability



Hager Group is growing in a constantly changing world. In the context of globalisation, the world population and consumption levels are increasing, draining natural resources, damaging the planet and causing environmental problems and social troubles. Governments and world institutions are reacting to these issues, they are developing new guidelines and passing new legislation. All this impacts companies directly.



[Brundland Report, 1987](#)

“Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”

The COP 21 in December 2015 (Climate conference composed of 195 nations and the European Union) resulted in the Paris Agreement, where most countries decided to limit the increase of the world temperature to 2°C. For industrial companies, this implies new and tougher obligations, such as production site certifications, new norms, or laws to comply with.

Besides public institutions, our other Stakeholders also have strong impacts on our activity. Our clients make new requirements: Hager Group should embody a clean image, and live sustainable values like business ethics, the respect of human rights, or health and safety at the workplace.

Some of our priorities are: investments in our employees and their skills development and training, optimisation of our eco-balance, and the development of processes and solutions that are more energy efficient. Thinking and acting for the long term helps us systematically avoid risks and take advantage of entrepreneurial opportunities earlier and with greater intensity.

Sustainability is therefore the key to our long-term success. Although the maxim of sustainability is inherent in everything we do, we have summarised particularly sustainable activities in our E3 approach, which is divided into the three following areas:

Ethics

E for Ethics

We need skilled, motivated and healthy employees in order to offer our customers the best services and products. That's why we provide all our team members with a safe, healthy working environment, support their professional growth and offer them opportunities for further development. We also promote diversity and adherence to an Ethics Code throughout the company.

Environment

E for Environment

We work continuously to reduce our carbon footprint. Our priorities include optimising the transport of our products and cutting the amount of energy we use in production to further reduce our Carbon footprint.

Energy

E for Energy

Hager Group helps its customers to save energy intelligently. We also analyse and optimise our products' environmental performance throughout development and production. By providing a detailed environmental profile for most of our products, we can be fully transparent with our customers and ourselves.

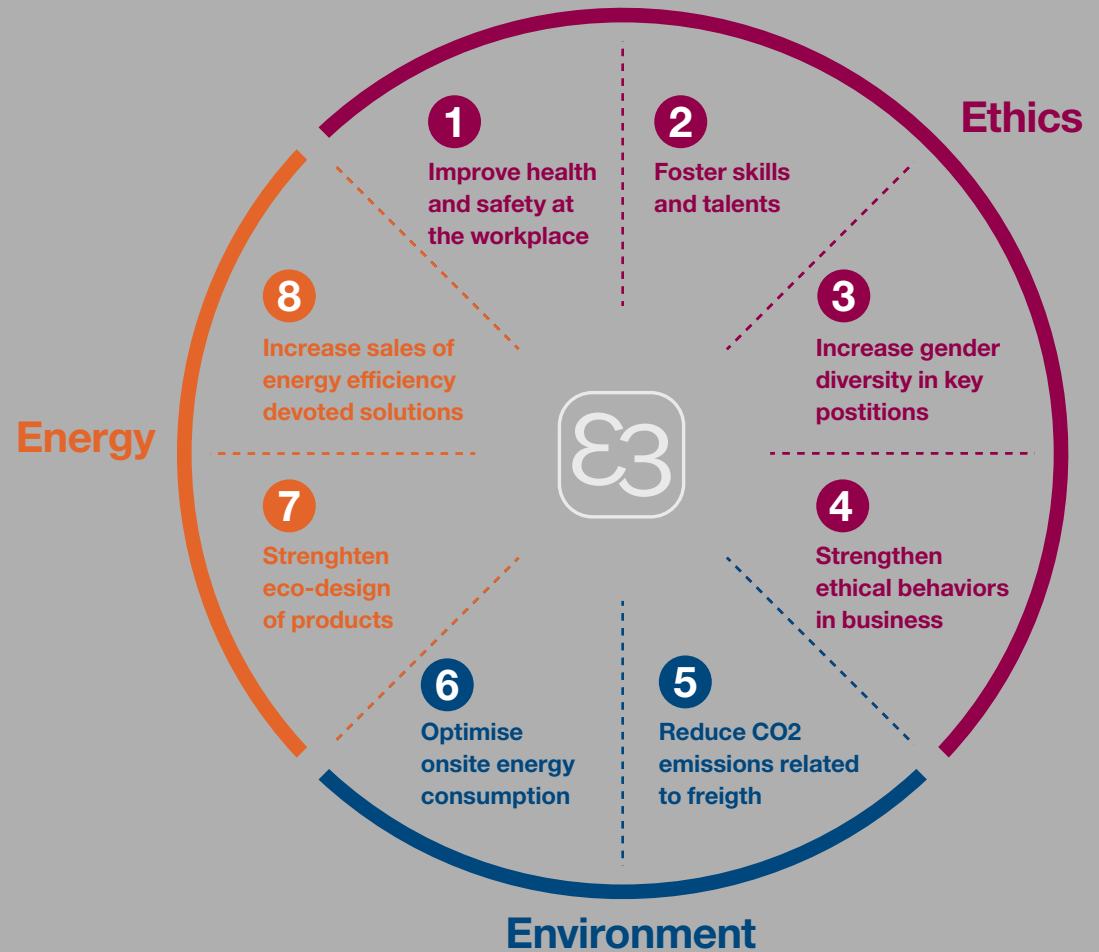


[Daniel Hager, CEO](#)

“As a family-owned company it is in our nature to remain sustainable.”



With this in mind, Hager Group defined for each E3 pillar objectives and challenges, which are embedded in the overall company strategy. The progress of development is measured and regularly reviewed in order to guarantee a successful continuous improvement. We expect from our suppliers that they share the Hager Group approach to remain sustainable and act in business in an ethical way.



Code of Conduct



At Hager Group, we are honest with others and ourselves.

- We expect loyalty and integrity from all parties involved in our activities or business relations.
- We plead for free and fair business, without corruption in all its forms, including extortion, bribery and any other form of compensation.
- Our business ethics also impose that gifts and other favors as elements should be avoided in our relationships.
- We also plead for transparency and openness with our suppliers, without divulging any confidential element relative to business competitiveness or relationships.

We only offer business to suppliers concerned and compliant with these fundamentals. Furthermore we follow the UN Global compact for proper conduct in day-to-day business.

Hager Group expects its suppliers to follow the same standards and have the same approach with their own suppliers.

Hager Group Sourcing

Hager Group's spend for material, components, investments, services and complete solutions is significant. Therefore more than half of the added value of Hager Group is depending on the performance of external partners.

To guarantee premier business growth by exceeding customer expectations, it is essential to implement professional 3rd party management worldwide.

Mission Statement

Vendors significantly contribute to Hager Group's value creation. As trusted partner for sustainable growth sourcing will pilot Hager towards opportunities provided by the supply market to create enjoyable customer solutions enabling Hager leading tomorrow's electrical world. By maintaining a diverse team sourcing develops organisational capabilities and contribute to build common language by implementing global processes that enable autonomy and agility at local level while keeping consistency throughout Hager Group.

We will do this by following initiatives:

- Enabling the customers to take advantage of best commercial opportunities worldwide through best country sourcing (TCO) and to benefit from required lead times, reactivity levels and expected quality. Sourcing is advocating customer requirements in the extended enterprise.
- New solutions are provided to the customers by catalyzing innovations or scouting new technologies. Therefore, sourcing is key enabler to accelerate time to market by early involvement of partners providing additional skilled resources for new solution development.
- Sourcing ensures Hager Group's image as a brand of choices by partnering in high ethical and legally compliant vendor relationships. We actively drive Hager's E3 initiative in interaction with vendors and guarantee that Hager Group keeps its promises to customers by identifying, forecasting and avoiding supply risks.
- Sourcing employs a diverse team and benefits from it. By developing competency standards and promoting continuous learning sourcing captures and fulfills customer needs.

- Sourcing develops organizational capabilities to achieve functional expertise to meet customer's satisfaction. Sourcing contributes to build common language by implementing global processes that enable autonomy and agility at local level while keeping consistency throughout Hager Group.
- Sourcing eliminates complexity in interaction with vendors that does not add value to the business, supports the exploitation of complexity customers will value and minimizes the costs of complexity.
- Sourcing develops competencies to support the deployment of Hager's digital roadmap especially in the interaction with 3rd parties and contributes to the development of smart solutions by providing dedicated category intelligence and engagement with related suppliers.

Sourcing policy

Through best value sourcing, we strive for the excellence that our customers around the world expect.

- We only work with suppliers who strictly respect our high standards of **Corporate Social Responsibility and operates in compliance with the UN Global Compact**
- We strongly leverage our suppliers for **New Product Development**, strategic innovation, and **continuous improvement**
- We request our suppliers to meet the highest levels of **performance** for all goods and services
- We aim for **limiting risks** with our suppliers, and building **long-term sustainable relationships**
- **Digitalisation:** We strive for digitalised interaction with our suppliers through the web portal SAP Ariba.

Organisation

Hager Group Sourcing is a center-led organisation based on a concept of worldwide network of strategic and operational levels. Hager Group Sourcing combines best use of leverage utilisation, with the benefits of decentralised Sourcing support.

Our different sourcing activities and business operations are managed by one of the directors of the Sourcing council, which is overseen by the Vice President Sourcing, Bernd Kehl.



*Sourcing
Governance &
Digital Systems

Bernd Kehl

The three orange departments contributes to the enhancement of sourcing's activities by developing and deploying a disciplined system for creating and executing the sourcing strategy.

A dedicated team is managing the sourcing governance system and related digital solutions.

Finally we have people who take care of talent development and consistent communication from sourcing to internal stakeholders and to our vendors.



Karen Bascou

Governance & Digital Systems

As a trusted advisor we guide and ensure purchasing compliance for hager employees & suppliers thanks to our purchasing process & tools expertise provided through close collaboration and support enabling process efficiency allowing Hager to meet the competition's maturity regarding digital purchasing practices.



Thomas Stein

Global Categories

Global Category Sourcing is committed to manage, develop and strengthen the relationships with suppliers providing global commodities. We like to work with suppliers which are continuously enhancing their quality, performance and innovation to help us to improve our competitive advantages related to quality, environmental friendliness and costs. We are providing added value throughout our strategic operations by leveraging the global category markets striving to contribute to the long term mutual benefit and sustainable growth of our group and our customers.



Christian Dietrich

Technical Categories

Our Technical Categories team takes care for all suppliers providing goods and services to us based on a dedicated Hager technical specification. To do so they contribute to Hager's long term value and business development by designing and implementing the strategy of preferred technical supply market base.

We have a deep understanding of spend categories. With our suppliers we like to have a common approach regarding cost management, high agility, innovation risk management and quality.

Bernard Bergantz

Partnerships & Innovation

Our team is in charge to manage partnerships with strategic suppliers and integrate supplier in our new product development activities. Through extensive cross functional collaboration at each step of the Offer Creation Process, we foster long term business partnership with suppliers to drive and inspire innovative and competitive solutions, tailored to our Customer's expectations.



Steven Kang

China Sourcing

Our Sourcing Team in China act as regional sourcing organization to leverage supplier know how in a best way to develop our business in China.

Main mission of this team is the integration of Chinese suppliers in Hager Group's New Product Development activities and to contribute to Hager Group's global sourcing activities to take advantage of best commercial opportunities worldwide through best country sourcing.

They contribute to Hager Group's growth in China by developing and managing strategic supply partners to extend our offer to fully satisfy our Chinese Customers. In addition they manage the supply of production and non-production material for our operations in China.





Kerstin Gattinger

**Regional Sourcing
Europe & India**

The regional sourcing team takes care about specific needs of our regional production sites and manage local projects requiring supplier involvement. To do so we act as project manager between Hager's category sourcing organization and the local operations management. We take also care for the localization of supply as fast as it is beneficial.

We accomplish this with a focus on setting up the regional sourcing strategy, as well as the deployment of related tactics and ensuring supplier performance regarding TCO, lead time and quality. With this we ensure that our regional operations focus on continuous improvement in cooperation with their supply base.

Michael Leidinger

Indirect & Investments

Indirect & Investment Sourcing secures supply of non-production material, investments and services that are needed to run a company. Our objective is to purchase the required needs at the best price, in the desired quality, the right time and the most ecological way.

In this frame the team selects appropriate suppliers, applies solid contracts and uses best in class processes. To do so, Indirect & Investment works closely with its internal customers to add value to the company by finding innovations, providing solutions to speed up time to market and supporting the business to plan the future.



Marie-Pierre Bruncher

Logistic & Freight

We provide dedicated sourcing support for logistic services and freight. By leveraging forwarders, creation of intelligent transportation networks and managing 4 Party logistics relations. We strive for implementing high performing logistic solutions to meet our customer expectation

regarding deliveries, create best in class inbound logistic and reduce our ecological footprint related to material flow.

In addition we are supporting our partners to meet the specific logistic requirements related to Hager's project business.

General Data and Protection Regulation



The EU parliament implemented the General Data Protection Regulation (GDPR). GDPR replaces the Data Protection Directive 95/46/EC and was designed to **harmonise data privacy laws across Europe, to protect and empower all EU citizens' data privacy** and to reshape the way organisations across the region approach data privacy. GDPR applies to all companies processing the personal data of data subjects residing in the Union, regardless of the company's location. Non-EU businesses processing the data of EU citizens will also have to appoint a representative in the EU.

Under GDPR organisations in breach of GDPR can be fined up to 4% of annual global turnover or €20 Million. This is the maximum fine that can be imposed for the most serious infringements e.g. not having sufficient customer consent to process data or violating the core of Privacy by Design concepts. Please find more information and details about the regulations on the EU webpage: <http://www.eugdpr.org>

Hager Group follows all standards and regulations requested by GDPR. We require from our partners that they act in the way we do and comply with all GDPR regulations.

Hager Group Way of Suppliers Cooperation

To further align our capabilities and, ultimately, deliver better solutions our customers demand at a more rapid pace, we have launched Hager Product Life-cycle Process (HPLP). HPLP provides us with one unified and single process and improves the way we define our offer and launch our products in numerous ways, including:

- Capture customer expectations earlier and transform them into new products and solutions
- Improve our ability to work cross-functional and develop in a shorter amount of time by providing clearly defined roles and responsibilities, detailed checklists and deliverables for every milestone
- Contribute to our goal to speak one common language across the entire company.



Hager Product Lifecycle Process

Any formal communication and exchange of data and agreements will be solely done through the Ariba net. With other words, Hager Group will only work with suppliers that are ready to use the Ariba net for business communication.



Acceptance of SAP Ariba as collaboration solution

Cooperation requirements

Sustainable Growth and Ethics

We expect from our suppliers that they share the values described in the UN Global Compact and act accordingly.

Management Systems

All suppliers shall implement:

- A Quality Management System certified ISO 9001:2015 or ISO/TS 16949:2009.
- An Environment Management System certified ISO 14001:2015, ISO 45001, ISO 17025 is recommended.
- Suppliers are encouraged to document their energy savings initiatives through certification.

Environment

- All delivered goods must comply with RoHS and WEE directives in their latest version.
- All delivered goods must comply with REACH regulation.
- All suppliers must be able to provide with a PEP (Product Environmental Profile) if for their suppliers requested.

Joint acceptance of commercial frame

- Warranty requests form Hager Group customers shall be accepted by suppliers.
- Payment conditions shall fit in with economic environment.
- We expect on time deliveries of 98%
- Formal communication will be also done through the Ariba net.



Becoming and being a supplier to Hager Group

Hager Group's supply base strategy is focused on building long-term relationships with the best suppliers, emphasising factors like sustainability, compliance with our standards, total cost, quality and on-time delivery.

Minimum Requirements

To ensure high-quality reliable supplies, Hager Group requests its suppliers to design, test (if supplier is responsible for conception), and qualify their products following best practices in line with below requirements.

PCBA	Design for manufacturing <ul style="list-style-type: none"> - Use CAD design software or file extensions validated by Hager Group (preferred: CR 5000) - Use Hager Group models libraries - Use Hager Group Design rules 	Design for test <ul style="list-style-type: none"> - Use Test Way - Develop own test equipment in correlation with Hager Group specifications and specific requirements 	PPAP submission in accordance with Hager Group requirements and applicable regulations / directives
Plastic parts	<ul style="list-style-type: none"> - Use CAD design software or file extensions validated by Hager Group (preferred: Pro/Engineer) - Use Finite Element Analysis tools validated by Hager Group 	<ul style="list-style-type: none"> - Use plastic injection molding simulation software validated by Hager Group (preferred: Mold-flow) - Use Hager Group tooling standardisation - Provide with set-up parts 	PPAP submission in accordance with Hager Group requirements and applicable regulations / directives
Metal parts	<ul style="list-style-type: none"> - Use CAD design software or file extensions validated by Hager Group (preferred: Pro/Engineer) - Use Finite Element Analysis tools validated by Hager Group 	<ul style="list-style-type: none"> - Use conception tool software validated by Hager Group (preferred: Solidworks) - Use Hager Group tooling standardisation - Provide with prototype parts 	PPAP submission in accordance with Hager Group requirements and applicable regulations / directives

For PCB injection- and stamping tools and some other components Hager Group has very specific requirements that will be communicated to supplier when necessary.

Suppliers Performance

Guarantee Supplier Performance

In order to guarantee supplier quality and logistic performance, Hager Group applies methods and procedures such as initial audits, supplier improvement, specification requirements, Production Part Approval Process (PPAP), capacity analysis and technical incoming inspection. These actions enable us to measure supplier performance by dedicated indicators and therefore to provide the supplier a data based feedback.

Relevant methods

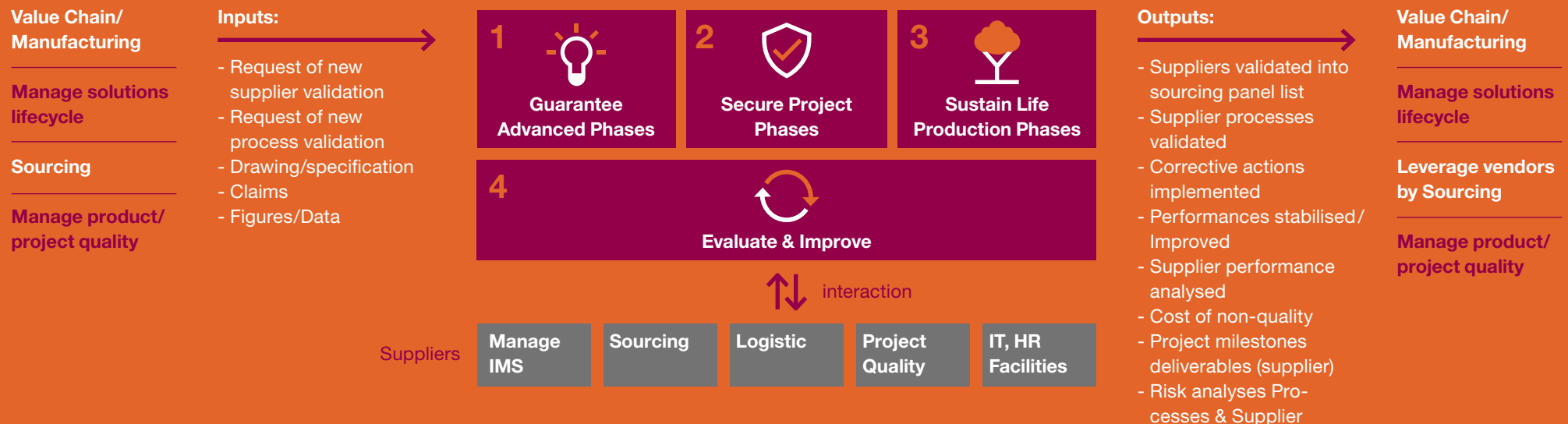
- 1 Audit
- 1 Supplier improvement
- 2 Specification requirement
- 2 PPAP
- 2 Capacity analysis
- 3 Technical incoming insp.
- 3 Claims management
- 3 Problem solving
- 3 Escalation process (NBH...)

- 3 Performance improvement
- 4 Supplier Monitoring Tool
- 4 Performance reporting
- 4 Supplier performance ranking

Means

- SAP-Software solutions
- Local laboratories
- Hagnet 2.0

Perimeter: Guarantee quality & logistics performance of suppliers for purchased parts



Curative indicators:

- Recall due to supplier
- Epidemics due to supplier
- PPM level of supplier

- Number of Quality claims
- Supplier ranking
- Cost of Non Quality

Records

- Refer to documents managed into DMS
- PPAP record
- 8D-Report

- Relevant KPI
- Supplier's Audits (Initial/Process/System)

Supplier Monitoring

In order to evaluate and continuously improve the performance of our supply base, Key Performance Indicators (KPI's) are established and measured on a monthly basis. A global scorecard including quality, logistic and commercial performances is established for each Hager Group supplier and reviewed periodically during business reviews. Suppliers are requested to comply with Hager Group definitions and rules to monitor their performances.

This evaluation includes the following:

- **Evaluation period**
- **Global result**
- **Classification in A, B or C.**

Evaluation criteria of Hager Group

QUAL: Score Quality:	Weight: 50%	DEL: Score Logistics:	Weight: 50%
QUAL0: Number of quality notes (QN)	15%	DEL1: Score OTD	80%
QUAL1: Goods conformances: Nb of QN/total nb of goods receipts * 100	45%	Compliance to delivery date and ordered quantity including following quantity tolerances: For parts: Individual delivery tolerances are mentioned in the Purchase Order. By default minimum 98% or maximum 102% of ordered quantity have to be delivered on time.	
QUAL2: Parts per million: Nb of non-conform parts/Total nb of delivered parts * 1 000 000	30%	For other units: Individual delivery tolerances are mentioned in the Purchase Order. By default at least 90% or maximum 110% of ordered quantity have to be delivered on time.	
QUAL3: ISO 9001/TS 16949 and 14001 certification or other types (equally weighted) <small>(After the end of validity of each certification type supplier has 14 days to deliver the new certificate. Beyond that supplier is considered as non-certified.)</small>	10%	If supplier complies to the rules above: 100 If not: 1 <small>(A rating of 0 means that no goods entry has been booked during the month, i.e. no evaluation.)</small>	
		DEL2: Logistic claims: Issued for damaged packaging, missing delivery slip, wrong label etc.	20%
		0 Claim = 100 1 Claim = 80 2 Claims = 50 >2 Claims = 1	

Global result and classification:

80 - 100%
A-supplier

60 - 79%
B-supplier

0 - 59%
C-supplier

If your grade in quality is inferior to the one in logistics, quality score will become your final score!

Quality Requirements

Hager Group aims for “Best Vendors”, with permanent involvement in continuous improvement processes, and full responsibility with regard to their parts, including those from their own suppliers.

Hager Group Quality Policy

The Hager Group is focusing on Excellence and aim to deliver solutions to customer based on high quality products and services.

The purpose of this policy is to get total satisfaction for all our stakeholders (customers, employees and company) by ensuring continuous improvement of products and services thanks to robust and excellent processes.

This drives the added values perceived by our stakeholders based on the following 3 pillars:

1

“It works”

Hager Group solutions:

- meet fully customer expectations
- are designed right, on time and at the right price
- respect standards and do the job they are designed for
- consists of high quality and reliable products as well as high quality level services
- are delivered on time and in full

2

“Always there”

Hager Group solutions:

- can be customised to accommodate our customers' needs
- include trainings to our customers to support them in their business development
- are made for professionals by professionals

Hager Group teams:

- are in close proximity to our customers to support them in their daily business
- solve customers' issues quickly and with professionalism
- respect their commitments and provide accurate and reliable information
- live Group behaviours: to be professional, customer driven, a team player, innovative, entrepreneurial and loyal

3

“Let's crate together”

We:

- listen to our customers and prepare innovative solutions with them
- design reliable products and services to create solutions for new applications
- adapt logistic flow to help our customers business development
- share internally and with partners best practices and implement our standard processes
- improve and develop high level partners and suppliers
- use continuous improvement to reach Excellence
- we benefit from digital solutions in the cooperation with our supplier

Quality Management



Proactive and efficient at solving problems, within the shortest possible response times.



Zero defect goal – in the event of deviations, an official action plan will be requested.



Consent from Hager Group will be required for any changes to:

- Product specifications
- Processes: manufacturing, location, delivery procedure



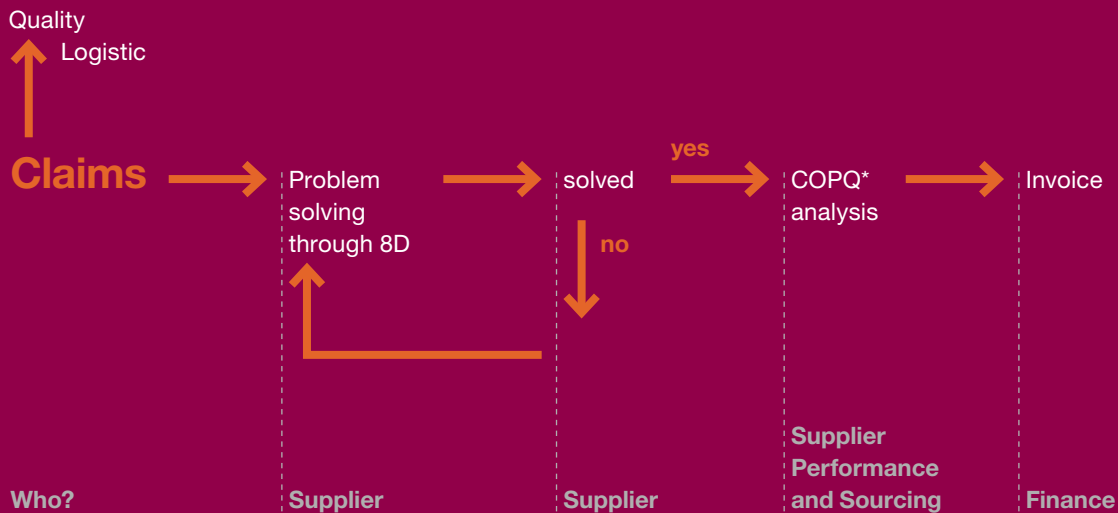
Suppliers must respect all procedures and regulations defined in the document “Cooperation between Hager Group and the Supplier” and in the Quality Assurance Agreement.

All projects must run through our Production Part Approval Process (PPAP) approval procedure for production materials.



Certified in accordance with ISO 9001:2015 or USI/TS-16949-2015 E-certified (declaration of conformity).

Claims



Problem solving

Non-conformity identified

Hager Group notifies the supplier



Within 2 working days

Containment:

Supplier identifies, replaces or sorts all defective products



Within 2 weeks

Analysis / Action Plan:

Supplier provides Hager Group with analysis of the root cause and issues a corrective-preventive action plan by using the Global 8D discipline



Within 2 month

Action Implementation:

Supplier implements the identified actions and extends to all Hager Group solutions



When issue is closed

Compensation:

Supplier compensates Hager Group for proven costs

Gifts & Entertainment rules



We kindly asked our suppliers to respect these rules and regulations and accept the Hager Group sourcing employee's behaviour.

The ethical policy of Hager Group establishes the fundamental principle for correct behavior while working together with customers, vendors, competitors and colleagues.

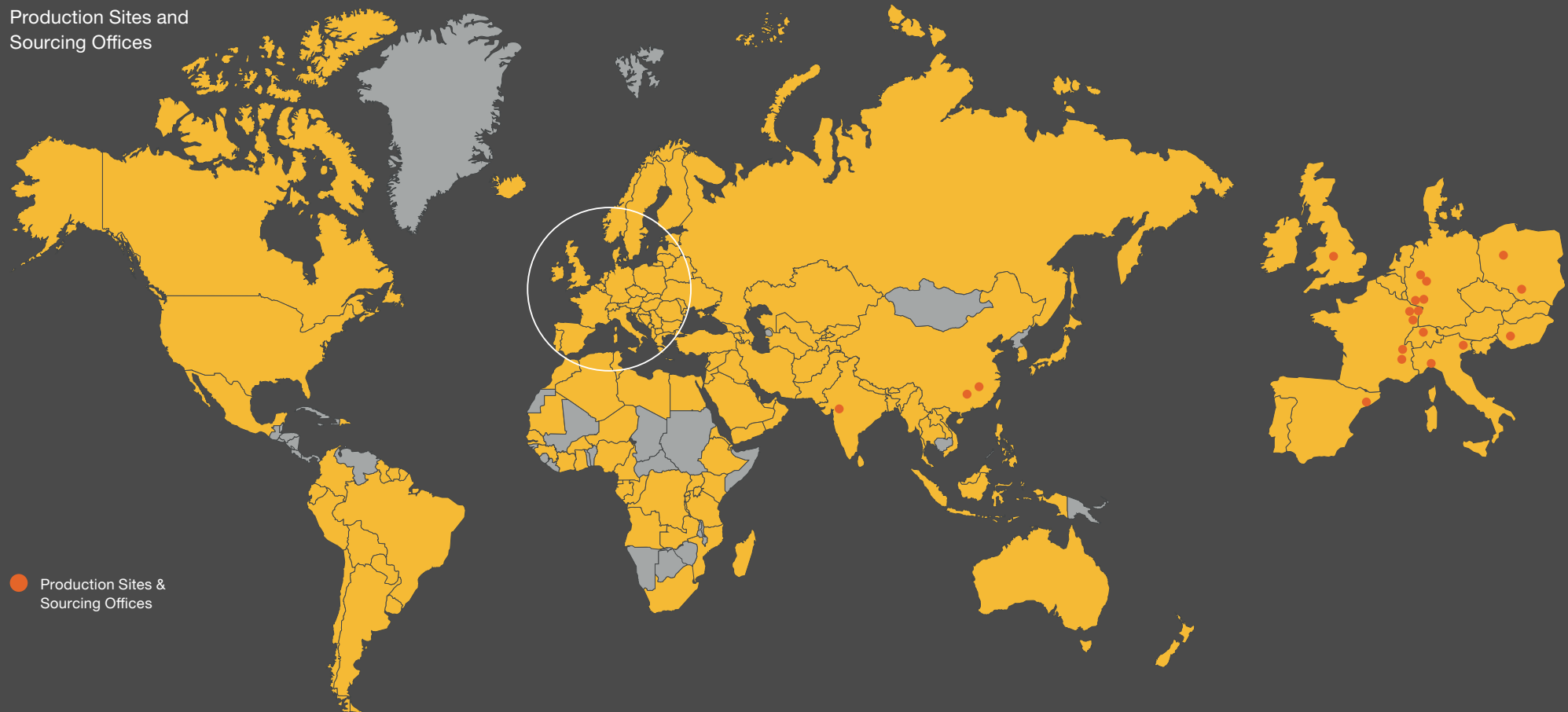
In this respect it is crucial for our employees to be impartial during the business partner selection process. Therefore we ask you to consider the appropriateness and transparency of business dining invitations offered to Hager Group employees.

According to our policy, our employees are not allowed to accept any material or immaterial gifts.

We would therefore like to explicitly point out that any gifts of any kind must be abstained from.

Hager Group Sourcing worldwide

Production Sites and
Sourcing Offices



● Production Sites &
Sourcing Offices

China

516006 Huizhou,
1 Huitai Road,
Huitai Industrial Area –
District Huizhou
523357 Dongguan,
Longgang Industrial Park,
Xiasha District,
Shipai town

France

38920 Crolles,
Rue du Pré de l'Horme
67210 Obernai,
132, Boulevard d'Europe, BP 3
67240 Bischwiller,
42 route de Rohrwiller
67700 Saverne, 33,
Rue Saint Nicolas
74650 Chavanod (Annecy),
Parc Atlas, Rue Callisto

Germany

58579 Schalksmühle,
Klagebach 28
57482 Wenden-Ottfingen,
Hubertusstraße 17
66440 Blieskastel,
Zum Gunterstal
67716 Heltersberg,
Seebergstraße 37

India

412216 Pune,
Gat No.: 19/23,
Next to MSEB transformer
yard, Phulgaon Road,
Lonikand

Italy

33080 Porcia (PN),
Via Pieve 2è
16011 Arenzano,
Via Pian Masino, 109, GE

Poland

43100 Tychy,
Ul. Fabryczna 10
62035 Kornik,
Ul. Sredzka 19

Spain

E-08430 La Roca del Vallés,
Alfred Nobel 18,
Pol. Ind. Valldoriolf,
Apartado 39

Switzerland

6021 Emmenbrücke,
Sedelstraße 2

United Kingdom

TF1 7FT Telford,
Hortonwood 50, Shropshire

hagergroup

Imprint

Published by:
Hager Group, Corporate Communications
Hager SE
Zum Gunterstal, 66440 Blieskastel
Germany

hagergroup.com