1. Introduction

1.1 Scope

The Ewes Quality Manual has been developed to communicate the operating principles, general expectations, requirements, and procedures of Ewes. Adherence to the guidelines described in this manual are required from all Ewes suppliers of production material. Acceptance of any purchase order constitutes acceptance and commitment on behalf of the recipient to comply with this manual’s content. These guidelines are provided as supplement to, and do not replace or alter, any purchase agreement terms or conditions which are included as requirements of applicable engineering drawings, specifications and other contractual documents. This manual describes the minimum requirements for which the supplier has responsibility. However, system improvements that exceed the requirements specified within this manual are always encouraged.

1.2 Purpose

Quality is the result of hard work, adherence to high standards, continuous improvement and team oriented problem solving. Quality is a culture, not a set of rules for operation. Every Ewes employee is a member of the Quality staff and committed to the goal of providing our customer with the best possible products and services as a result of their daily activity. In order for this objective to be achieved, it is necessary that all functions within Ewes and their business associates operate on the "zero defect" philosophy. We must all strive for a fundamental quality system that provides for continual improvement in the quality of product, delivery and services. Emphasis should be on defect prevention and the reduction of variation and waste in the supply chain.

1.3 Application

The expectations and requirements described in this manual apply to all suppliers of production material.

1.4 Implementation

Suppliers are responsible for the development, documentation, implementation, and maintenance of a quality system that complies with the ISO 9001 standard. Suppliers are encouraged to become certified to TS-16949 and ISO-14001 quality / environmental standards.

Every NCR will also be followed by an administrative cost of EUR 150.
The definition of “defective” also includes administrative failures, such as wrong labelling, wrong part No, delivered quantity does not match quantity on box label or bill of lading etc.

2. Supplier Evaluation and Performance

2.1 Supplier Evaluation

Ewes supply base will consist of organizations supporting our business needs. Ewes utilizes controlled methods through which suppliers are evaluated, selected, developed and monitored. Criteria for evaluation and selection of suppliers for placement on Ewes Active Supplier List is based on the suppliers abilities to consistently deliver defect-free products and/or services, meet or exceed our delivery requirements, be cost competitive and be responsive to Ewes needs. Suppliers to Ewes are expected to work with continuous improvements to develop towards excellent performance. To become a supplier to Ewes for new business, the supplier has to be approved by Ewes after answering the supplier self-assessment and audited by Ewes SQ when needed.

2.2 Consistent Quality

100% defect free product is required from suppliers to Ewes. Any deviation from this will result in a (NCR) Non Conformity Report in 8D format.

2.3 Non-Conforming Product

If a supplier's parts are found to be out of specification (do not meet one or more specified requirements) in receiving inspection or during production at a Ewes facility, or if a Ewes customer complaint is confirmed to be a supplier quality problem, the supplier will be notified by Ewes Quality Dept. to provide immediate containment and support to resolve the problem by use of well recognized problem solving tools.

Supplier is fully responsible for all costs occurring in relation to the delivery of defective parts. This includes for ex.:
- cost for sorting,
- machine cost at production stop,
- rework,
- shipment cost for returning of faulty parts,
- all costs claimed by the Ewes customer.

First alternative is always that supplier send approved replacement parts. If sorting or rework is needed, the supplier is responsible for this. If the supplier can’t perform the sorting, it will be done by
Ewes or by hired personnel, at a cost of 45 EUR/hour which will be forwarded to the supplier.

2.4 On-Time Delivery

Ewes requires all suppliers to provide 100% on-time delivery performance with the exact product and/or services promised and correct quantity and pricing agreed upon.

2.5 Nonconforming delivery

Monitoring of performance levels in this area will be ongoing with formal reporting on a monthly basis. To further clarify this, we consider unauthorized early or late deliveries and partial or over shipments to be unacceptable. The quantity shipped per order or release cannot vary from specified quantity without the prior written consent of the Supply department of the receiving plant.

If a production line is shut down due to poor quality, late delivery, or incorrect quantity on any shipment, the supplier will be responsible for any costs incurred including expediting shipments or charges from Ewes customers.

All premium freights caused by late delivery from supplier will be the responsibility of the Supplier.

2.6 Rights of Verification of Products/Services

Ewes reserves the right to verify the products/services on the supplier's premises by Ewes representatives and our customer and/or their representative. This verification also applies to the supplier’s sub tier supply base.
3. Supplier Performance and Rating

3.1 Supplier Performance

Ewes Suppliers are monthly measured on quality and delivery performance.

- Quality performance; Number of complaint reports and Severity rate.

- Delivery performance, OTD (On Time Delivery); delivery date precision and quantity.

Targets for the quality and delivery performance are decided by Ewes for each supplier every year.

Suppliers with low performance are expected to present a corrective action plan containing recommended improvements and responsibilities together with implementation dates. Ewes purchasing/quality department will review the submitted action plans and monitor the improvements.

3.2 Supplier rating

The Supplier Rating is performed yearly by Ewes for the Focus suppliers. Supplier Rating is a system based on a combination of the supplier quality and delivery performance the last 12 months but it also includes the following values:

- Achieved certificates according to ISO 9001, TS 16949 and ISO 14001.
- Agreement of and adopting the Ewes Supplier Quality Manual
- Actively working with improvements and development of the common business
- Support and proactiveness
4. Quality Process Requirements

For Ewes to achieve a smooth implementation of new projects as well as develop and maintain ongoing business, Ewes expects the Supplier to be familiar with the well-recognized tools for quality planning, quality approval, continuous improvement and SPC tools according to the Automotive Industry Action Group (AIAG) or similar.

4.1 Advanced Product Quality Planning (APQP)

Prior to production of any product, the supplier should utilize quality planning techniques to ensure successful launches of these products. Ewes recommends the use of the Advanced Product Quality Planning (APQP) reference manual published by AIAG as a guide to proper use and documentation.

At involvement in development projects for new products with Ewes, the supplier is requested to accept and sign the Non-Disclosure Agreement

4.2 Production Part Approval Process (PPAP)

Ewes requires all their suppliers to maintain a Production Part Approval Process (PPAP) system to ensure parts submitted to Ewes meet all requirements. This system should utilize the AIAG standard documentation found in the PPAP reference manual.

The supplier shall always establish and maintain a complete updated PPAP retained at its site. The supplier shall use PPAP level 3 as the default for all submissions unless otherwise specified in the PPAP checklist prepared by Ewes SQ. Full approval of this process must take place according to the established PPAP date. (Ref: PPAP manual Section 1 table 1.3.2)
4.3 Traceability

In case of any deviations or field actions it's very important to have good traceability on supplied parts to enable a delineation. Ewes have a minimum requirement for traceability on supplied parts as described:

- Steel: All material traced down to material certificate, Charge no on coil.

- Springs, Machined parts, Pressed parts: Delivery id tracked down to production batch => material certificate and any post treatment, Delivery id. on label.

- Assembled parts: Delivery id tracked down to production batch (including traceability on ingoing components), Delivery id. on label.

4.4 Supplier Request for interim approval

If the supplier, by any reason, cannot fulfill Ewes required specifications for any product supplied to Ewes, the supplier has to apply for an interim approval. No shipment is allowed for not approved production material or non-conformances before the interim request is approved by Ewes. The interim should not be used as Request for Engineering Change or as any sort of implication for a quotation.
4.5 Supplier Request for Product- or Process change.

Ewes is encouraging the supplier to take initiatives and supports good ideas which could be beneficial for all parties.

However, the rules within the automotive industry are very strict. Any changes in process or product from original PPAP have to be approved before implementation. The request for product or process change should to be submitted to Ewes together with a change implementation plan.

The Change request process refers to any change to the already approved PPAP package. Potential reasons for filling in the change request form:

- Change in the process
  - Layout
  - New location
  - New machine/tool

- Rework of tool (other than normal maintenance)

- Change in the Supply chain
  - New sub supplier
  - New material source

- Change of product design
  - Dimensions
  - Material

The supplier should always contact Ewes Purchase or Quality if there are uncertainties on whether approval is required

4.6 Continuous Improvements and Statistical Process Control

Suppliers are expected to work with continuous improvements as part of the supplier production and quality system.

To verify, understand and improve the stability of any production process, Ewes recommends the use of the Statistical Process Control (SPC) reference manual published by AIAG among others.