

HUBER+SUHNER

Procurement Policy

Introduction

HUBER+SUHNER focuses on customer value creation through highly differentiated solutions. More than half of our sales turnover is sourced from our suppliers and a significant part of our environmental impact occurs in our upstream supply chain. Thus, we acknowledge that our suppliers make an important contribution to the added value, quality, innovative strength and carbon footprint reduction of our company.

We strive for collaboration with competitive and reliable suppliers which not only provide us with high quality raw materials, components, products and services but also share our aspirations to make our supply chain more sustainable and resilient.

Find below our key procurement principles in alphabetical order, which we expect our suppliers to implement and to adhere to, building the basis for a long-term business partnership driven by mutual trust and expertise.

Competitiveness

HUBER+SUHNER operates in highly competitive markets. Therefore, it is essential that our suppliers continuously work on their competitiveness by investing in automation technologies, by establishing lean management principles including the implementation of cost-down programs and by managing a competitive sub-supplier base. We ask our suppliers to provide competitive and transparent pricing including cost-breakdowns.

Corporate Responsibility and Material Compliance

We regard sustainability or corporate responsibility as we call it an integral part of our business and we have committed ourselves to running our business in an environmentally and socially responsible manner. The [HUBER+SUHNER Supplier Code of Conduct](#) highlights important standards such as compliance with applicable laws, human rights and labour practices, occupational health and safety (whereas we prefer working with suppliers being certified according to ISO 14001 and ISO 45001), responsible sourcing of minerals, environment protection and climate change mitigation, trade compliance as well as fair operating practices. Suppliers' acknowledgment and explicit agreement of the HUBER+SUHNER Supplier Code of Conduct is a prerequisite for doing business with us. Finally, we expect our suppliers adhering to the standards of RoHS, REACH, TSCA, CP65 and POP and to provide the corresponding material declarations for all materials and components supplied to us.

Delivery and Responsiveness

We work with suppliers who can offer short lead times, are flexible for changes and are keeping committed delivery dates to ensure the best material availability for our production network and towards our customers. We want to streamline and integrate our purchasing processes with our suppliers by sharing consolidated forecasts, by automating business transactions where feasible and by establishing pull-driven replenishment principles such as VMI. Suppliers must provide excellent and timely communication, service, support and issue resolution. To prevent supply bottlenecks, we expect our suppliers to keep appropriate safety stock levels and to develop, define and implement business contingency procedures mitigating relevant business risks.

Innovation and Technology

Our suppliers are expected to be on-going technological leaders with technology being a core competency in their respective fields of design and manufacturing. We want to leverage the innovation power of our suppliers to benefit from new ideas and technologies, to reduce time to market and to optimize our product cost structure. Early supplier involvement during engineering projects is key to us where we rely on suppliers providing fast and thorough feedback on feasibility studies and rapid turn-around time of prototypes to enable timely and cost optimized product introductions.

Quality First

We expect our suppliers to have a preventive quality mindset in place by fully understanding our requirements and by planning for quality from the beginning. In addition, our suppliers are expected to focus on excellent execution with “strict in” and “strict out” process controls as enablers for zero defect. H+S expects notification from suppliers for all changes that affect fit, form or function, and with sufficient notice to allow us to make a thorough evaluation. Lastly, we are asking our suppliers to maintain a quality management system according to ISO 9001. For certain solutions, we prefer working with suppliers who are certified according to EN 9100, IATF 16949, ISO TS 22163 or ISO 13485. Our quality requirements are summarized within our Technical Terms of Delivery to be found on our website.