

Stand: January 2023

## Supplier Performance

The performance of a supplier is permanently monitored and evaluated during delivery.

This is done on the one hand by our order fulfillment review, by our complaint management and by our supplier evaluation.

## Order fulfillment check

As part of the order fulfillment check, we carry out formal (e.g., identity, quantity, deadline, packaging, obvious defects) and special (according to inspection plan) incoming goods inspections.

## PPF procedure (production process and product release) / initial sample test report (EMPB)

The PPF procedure is intended to prove that the requirements agreed with the customer are met in accordance with these specifications. As part of the PPF procedure, initial samples must be created in accordance with the customer's guidelines and specifications. The scope of sampling must be coordinated with Caramba. If desired by the customer, the ingredients must be entered in the International Material Data System IMDS. The IMDS-No. and the Caramba material no. must be noted on the EMPB cover sheet. Unless otherwise agreed with the supplier, a packaging unit must be delivered as a sample or at least 6 sample parts including sampling documents must be delivered with a separate delivery note stating the reason for sampling. Initial sample parts must be clearly marked as such upon delivery and delivered separately. Procedural or process-related deviations from specifications and specifications must be clearly noted on the EMPB cover sheet. The evaluation of the presented sample parts is carried out by the QA department with the involvement of the testing and assessing departments. The overall decision shall be communicated to the supplier in writing. A delivery may only take place after release of the samples.

## Incorrect deliveries

In the event of faulty deliveries, the supplier must remedy the situation immediately (replacement delivery, sorting or rework). If sorting or rework activities are required, the supplier will be informed immediately by Caramba. Immediately after becoming aware of this, the supplier must decide who should carry out the necessary activities (returns, caramba). If work is undertaken by Caramba, the supplier must issue a written release. If the written approval is not given within the period specified by Caramba, the necessary activities (sorting, rework) will be implemented by Caramba. The costs incurred here will be charged considering the clear question of guilt.

## Supplier Complaint Management

The supplier must ensure the flow of information and the speedy processing of a complaint. This applies to the creation and sending of an 8D report. In the event of non-compliance with the set processing deadlines, a reminder is triggered and a classification in the escalation can take place. This unfair behavior is also reflected negatively in the

Stand: January 2023

supplier evaluation. The supplier must bear the corresponding expenses for this. The following deadlines must be observed when sending an 8D report.

3D report after 48 hours

5D report after 5AT

8D report after 14AT

Should delays occur due to necessary further processing by sub-suppliers or other reasons (outstanding, rejected parts for cause analysis), these must be reported in a timely manner with an interim report.

When sending the 8D report, the associated evidence for the plausibility check must also be sent to be able to close the complaint.

## Supplier Evaluation

The supplier evaluation is carried out annually and sent to the supplier by E-mail. It forms the basis of our further purchasing strategy. We determine for 5 different evaluation disciplines:

Criterion	Weight
Costs Constant	10 %
Quality	50 %
Delivery	20 %
Service	10 %
Environmental/energy management	10 %

The evaluation is based on points	Points
A-supplier	90 - 100
B-Supplier	61 - 89
C-Supplier	0 - 60

Depending on requirements, the supplier will be invited to development and performance discussions in the event of grievances and non-fulfillment of our requirements.

## Supplier escalation process

Our supplier escalation process is a central part of our supplier management. The aim of this procedure is to identify problems with supplier complaints at an early stage to counteract them with suitable measures. In the event of disruptions caused by suppliers, this process enables us to define target-oriented remedial measures and ensure their processing, since the contents of the escalation levels are clearly defined.

### Escalation level 1:

Supplier causes problems, product quality does not meet our agreement, requirements, or expectations for the product. In the case of the deficiencies listed below, an escalation level 1 would be pronounced.

2

Stand: January 2023

- Insufficient complaint behavior
- Content insufficient, not meaningful
- Re-registration deadlines are not met
- Evidence of defined measures is not transmitted
- implemented measures are not effective
- Lack of cooperation, communication problems

## **Action:**

Problem solving discussion with suppliers. Coordination and definition of remedial measures. (Escalation discussion, quality discussion)

**Exit from escalation level 1:** The supplier creates an action plan for the problem and sends it to the customer. Measures are discussed together.

## **Escalation level 2:**

Supplier is not successful in solving problems. Escalation level 1 was unsuccessful. Supplier is causing identical issues from a previous escalation within 24 months. Supplier is classified as a B supplier in the supplier evaluation.

## **Action:**

Information letter to the supplier's management about escalation level 2.

Problem solving discussion with suppliers. Coordination and definition of remedial measures. (Escalation discussion, quality discussion)

Fee-based implementation of measures on site at the supplier through an audit or process inspection.

**Exit from escalation level 2:** The supplier creates an action plan for the problem and sends it to the customer. Measures are discussed together. This is followed by an exit audit or a process analysis at the supplier.

## **Escalation level 3:**

Supplier is not suitable for Caramba Chemie GmbH & Co. KG – Caramba Bremen GmbH and Wigo Chemie GmbH. Supplier was responsible for a special status with the customer. Product had to be withdrawn from the market.

## **Action:**

Information letter to the management of the supplier about the escalation level 3. Escalation discussion with suppliers, possibly setting a final deadline. Blocking of the supplier for inquiries and new orders. Partial or complete dismantling of the supplier.

## **Supplier Audit**

We carry out supplier audits according to our audit program and, if necessary, also event oriented. The selection of the audit, the organization, planning, and implementation is carried out by an audit team nominated by the purchasing department in close

Stand: January 2023

cooperation with the supplier manager. The supplier will be informed in good time of upcoming supplier audits and must ensure that the process runs smoothly.

In the case of event-oriented supplier audits, e.g., from classification in escalation level 2, we reserve the right to also carry out these in the form of a lightning audit and to charge the person responsible for the costs - daily rate €500/p.p. plus travel expenses - full and half daily rates will be charged.

## **General quality requirements / specifications for the product groups**

The products must be delivered in perfect condition. The function of the product must not be impaired, in particular:

### **Raw materials**

- Not contaminated / dirty
- Are protected from the elements
- Requirements for heat or cold are met
- Compliance with legal regulations
- Purchase requisitions are met
- A CoA (Certificate of Analysis) must be provided for each batch
- Raw materials may only be delivered with a minimum durability of 12 months, if necessary, a deviation permit must be requested.
- Specifications are met

### **Packaging / aerosol cans**

- Not contaminated / dirty
- Scratch free
- No bumps or dents
- No cracks
- Compliance with legal regulations
- No corrosion
- Are protected from the elements
- Correct color
- Purchase requisitions are met
- Specifications are met

### **Labels**

- Not contaminated / dirty
- Writing legible
- Correct color
- Compliance with legal regulations
- Are protected from the elements
- Purchase requisitions are met
- Technical specification and function must be given

Stand: January 2023

## Trading goods

- Not contaminated / dirty
- Are protected from the elements
- Requirements for heat or cold are met
- Compliance with legal regulations
- Purchase order requirements are complied with
- Free of scratches
- No bumps or dents
- No cracks
- No corrosion
- Correct color
- Writing legible
- Correct filling quantity
- A CoA (Certificate of Analysis) must be provided for each batch.
- Raw materials may only be delivered with a minimum shelf life of at least 12 months: if necessary, a deviation permit must be requested.
- Specifications must be met

## Quality Assurance Agreement (QSV) / Delivery Agreement

The general quality requirement / specification of the product groups must be observed. If a QAA / delivery agreement is agreed with the supplier, this is binding. After sending the QAA / delivery agreement to the supplier, the supplier has the right to object to the QAA / delivery agreement immediately, but no later than 14 days after receipt. The objection must be made in text form. If no objection has been received by the respective contractual partner from the Caramba Group (Caramba Chemie Duisburg, Caramba Bremen or Wigo Chemie) after the period has expired, the QAA / delivery agreement is deemed to have been accepted.