



Printer and
Fastener Solutions

Supplier Requirements Retail Information Svcs LLC Fastener Division

REVISION : 1
PAGE 1 of 11



TABLE OF CONTENT

<u>SECTION</u>	<u>PAGE</u>
Supplier Evaluation and Selection Process	3
Supplier Performance Evaluation	4
Change Notification Requirements	5
Specifications	5
First Article Inspection	5
Defective Material	6
Supplier Corrective and Preventative Actions	7
Material Certifications	8
Packing List Requirements	9
Invoice Requirements	10
Revision History	11

Supplier Evaluation and Selection Process

Factors Considered by Avery Dennison when selecting suppliers include:

- **Quality Management System:** Preference is given to suppliers who operate their Quality systems in conformance to the most current revision of ISO 9001, IATF 16949 and ISO 14001 or as contractually agreed upon. Testing facilities shall adhere to ISO/IEC 17025
- **Financial Stability:** Suppliers must demonstrate that they have the necessary financial resources.
- **Product Quality and Performance:** Suppliers must demonstrate a track record of providing quality products or services on time, to schedule, and at a high level of customer service.
- **Product Price and Service:** Price and service relative to other current or potential suppliers
- **Compliance to Industry Standards and Regulatory Requirements (i.e. REACH, RoHS, Conflict Minerals, etc)**

The first step in the supplier evaluation is for the suppliers to complete a Supplier Quality System Survey. This form is used to collect preliminary information about the organization. Suppliers are required to provide a current copy of their Quality Certification if applicable.

Depending on the response to the Supplier Quality System Survey and the nature of the product or service you provide an on-site audit may be performed by an Avery Dennison Supplier Evaluation Team.

Suppliers not registered to ISO 9001, IATF 16949, ISO/IEC 17025 or ISO 14001 may be audited for conformance.

Suppliers shall inform Avery Dennison personnel promptly of changes in their points of contact for senior management, quality, and other personnel.



Supplier Performance Evaluation

Avery Dennison will monitor the performance of each supplier relative to our requirements for the following:

- Product Quality
- Service
- Delivery

If problems are detected Avery Dennison will issue a Supplier Corrective Action Request (SCAR). Avery Dennison's Supplier Corrective Action Request process is described in further detail in the section titled Supplier Corrective and Preventative Actions.

Overall supplier performance is reviewed on a quarterly basis and includes the assessment of:

- Quality Performance
- Delivery Performance
- Service
- Response to Supplier Corrective Action Request

If a supplier's overall performance is unsatisfactory a SCAR will be sent to the supplier requesting immediate corrective action. The supplier may be placed in a Probationary status until such time as the supplier demonstrates the corrective action plans were implemented with improved results. If the supplier fails to provide a corrective action or the actions taken were not successful in improving the defect to an acceptable level the supplier may be removed from the Approved Supplier's List subject to business conditions.

Change Notification Requirements

Avery Dennison requires suppliers to provide immediate notification in changes to the following:

- Loss of Quality Management System certification
- Relocation of Manufacturing
- Change in financial situation and/or level of services and support
- Process or product changes that may affect quality as it applies to the use of product or services supplied.
- Regulatory classification (UL, Mil Spec, OSHA, DOT, HMIS, etc.)

Quality Requirements

Specifications

Where applicable, Avery Dennison will document specifications through the Purchase Order. Specifications are controlled by revision level which will be referenced on the Purchase Order. It is the responsibility of the supplier to maintain document control of the specification and to provide product or service conformant to the purchasing document.

First Article Inspection

Where applicable, inspection data sheets are to be submitted with first article samples of parts from first production or beta samples. These parts must conform to print and/or written specifications. It is the responsibility of the supplier to request a deviation prior to submission of the parts.

Defective Material

Purchased materials found not to meet specification either at incoming inspection or in process may be returned to the supplier. Returns are for credit only unless otherwise instructed by the relevant Avery Dennison buyer. A Supplier Corrective Action Request may be submitted to the supplier. It is the responsibility of the supplier to investigate root cause and implement corrective action to prevent reoccurrence. Results are to be reported on the Avery Dennison Supplier Corrective Action Request form and returned by the specified date.

Avery Dennison reserves the right to hold suppliers responsible for costs associated with defective materials. Examples are but not limited to the following:

- Rework and/or repair
- Overtime to meet Avery Dennison customer's schedule
- Production downtime at Avery Dennison
- Down Time at Avery Dennison customer
- On-line containment
- Handling or storage of suspect or non-conforming material
- Customer returns and charge backs
- Premium freight
- Travel costs incurred by Avery Dennison personnel
- Disposition of scrap
- Sorting of suspect parts at Avery Dennison location or by third party
- Lab testing and /or verification
- Administrative costs



This includes lost value of Avery Dennison product made with the defective material and costs associated with corrective actions associated with Avery Dennison customers.

Supplier Corrective and Preventative Actions

If product and/or service deficiencies are identified, our Supplier Corrective and Preventive Action system is used to coordinate resolution. Avery Dennison will work with Suppliers to help address root cause and implement permanent corrective action.

Timing:

Unless otherwise specified, a Supplier Corrective Action Request (SCAR) will be acknowledged by the Supplier with an initial response within one (1) business day of receipt

Weekly updates of the SCAR will be sent to Avery Dennison, with a final response due within 15 business days from the initial receipt

If additional time is required, the Supplier will contact the Avery Dennison buyer to request an extension.

In cases where discrepant product needs to be returned to the Supplier for product evaluation, the Supplier will make the necessary arrangements to have the product returned at the cost of the Supplier

All costs associated with the SCAR including (but not limited to) shipping/handling, Avery Dennison Customer charge backs and line down situations, will be recovered by Avery Dennison from the Supplier

Failure to comply with the above requirements may result in the removal of the Supplier from the Avery Dennison's Approved Supplier List



Avery Dennison reserves the right to alter or skip steps in this process depending on the nature of the discrepancy, the supplier's response and the supplier's past performance. Avery Dennison will forward any alterations to this process to the Supplier on a case-by-case basis.

Requirements:

Suppliers are required to provide the following for all SCARs issued against them:

- Identification of Root Cause
- Escape Point
- Disposition Actions
- Corrective Action to Prevent Recurrence
- Verification that the Corrective Action was Effective

Material Certifications

It is the responsibility of the supplier to provide a Certificate of Conformance (or Certificate of Analysis) or a material test report from an accredited ISO laboratory for each lot of product shipped. The supplier is required to retain a copy of all certifications for traceability through the lot numbers on the shipping label. In addition to the applicable requirements specified the following requirements apply to chemicals.

- A Safety Data Sheet (SDS) is to be included with for each product shipped
- The lot number is to be clearly marked on each container for non-bulk supplied product. For bulk supplied product it is to be marked on the Certificate of Analysis (COA).



- For product with a shelf life of one year or less, each container of product must be clearly marked with a “Use By” date.
- Packaging must be adequate to prevent damage during transit, storage and subsequent processing. Damaged containers will not be accepted and remain the responsibility of the carrier

- Where applicable, suppliers are responsible for ensuring that product is not exposed to temperatures that might adversely affect the product, and for labeling products indicating the appropriate storage requirements
- Chemical and resin suppliers are encouraged to maintain retains for at least 1 year from date of shipment.

Packing List Requirements

All shipments must include a packing list. The packing list is to be located on the outside of the first carton of the shipment, or on the outside of the stretch wrap or shrink-wrap material securing the load to the pallet. The packing list should be placed in a transparent envelope if possible and marked as containing the packing list.

At a minimum the packing list must contain the following information:

- Date of shipment
- Method of shipment (UPS, LTL, Truckload, etc.)
- Supplier name and address
- Ship-to address
- Purchase order number. If more than one purchase order is included in the shipment, a separate packing list must be provided for each PO
- Line number of the purchase order



Printer and
Fastener Solutions

- If applicable - Avery Dennison part number and revision level
- Quantity in Avery Dennison unit of measurement
- Number of cartons in the shipment

Invoice Requirements

At a minimum the supplier's invoice must include the following information:

- Purchase Order number
- Avery Dennison part number
- Quantity billed
- Unit price
- Unit of measure
- Terms
- Remit to address



Printer and
Fastener Solutions

Revision History	Date
Original Release	10/14/2016