

Escalation Levels for Controlled Shipping (CSL)

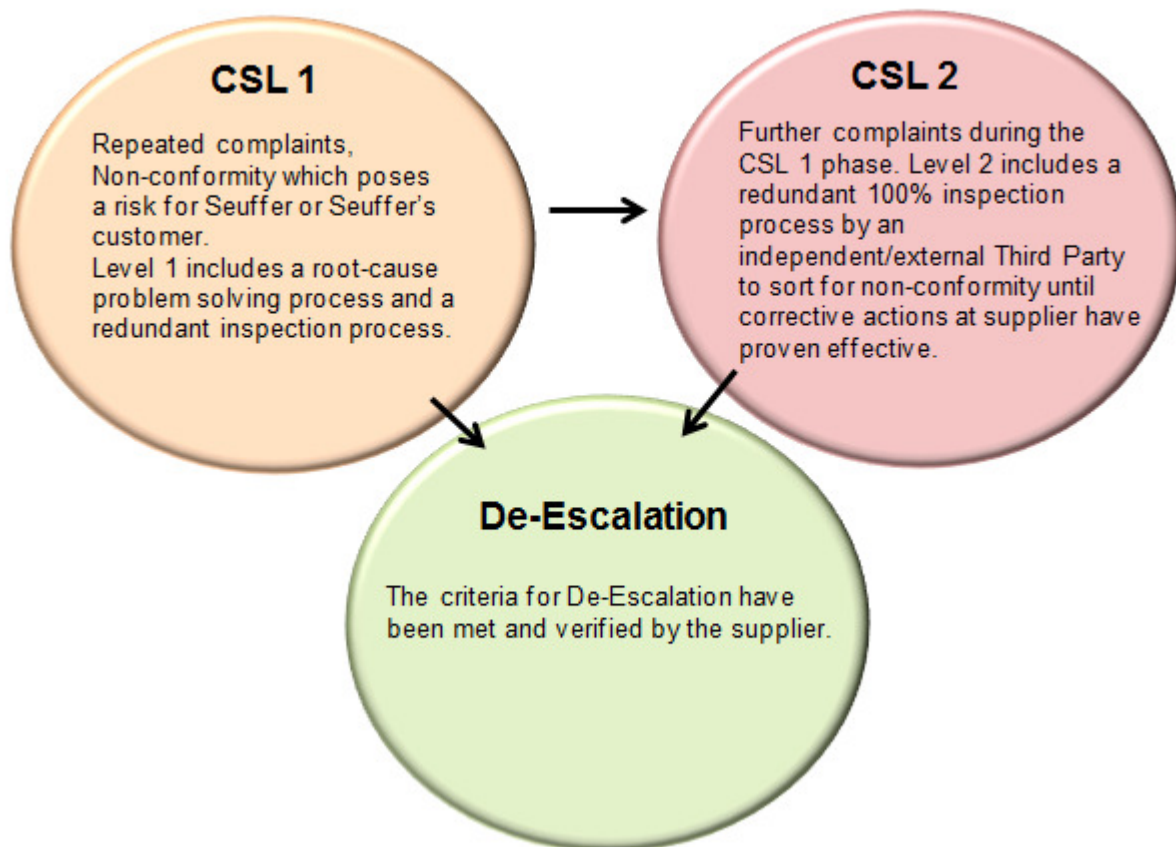
Objective of Controlled Shipping

In case of delivery of non-conforming material the CSL procedure shall guarantee the achievement of the original objective.

General:

Controlled Shipping is a demand by the buyer that the supplier puts in place redundant inspection processes to sort for non-conforming products in order to avoid line stoppage at Seuffer or field failures at customer's sites. All costs arising from Controlled Shipping are at the supplier's expense.

Criteria for CSL programme:



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Procedure of Controlled Shipping (CSL)

CSL-Level 1:

Controlled Shipping Level 1 (CSL 1) implies that the supplier has to put in place a redundant 100% inspection process to sort for a specific non-conformity in the material numbers and characteristics determined by Seuffer. The redundant inspection process is in addition to standard control procedures.

The supplier independently compiles a sorting instruction/defect catalogue.

The CSL1 inspection work station has to be independent from the supplier's production process and has to be approved by a Seuffer CSL audit.

Only after having passed the CSL audit the supplier can start with the inspection process according to the determined modalities.

All external inspections have to be performed up to a mutually agreed point in time. All arising costs are at the supplier's expense.

Updated statistical analysis and action plans have to be provided for Seuffer in frequency agreed upon.

Tested products as well as packaging have to be marked separately.

Type and measure of marking have to be agreed upon with Seuffer.

Notice: Non-observance of this procedure or inability to comply herewith results in implementation of CSL Level 2.

CSL- Level 2:

Controlled Shipping Level 2 (CSL 2) implies that the supplier, in addition to the CSL 1 inspection process, has to put in place a redundant 100% inspection process performed by an external third party to sort for non-conformity before the material is delivered to Seuffer. All arising costs are at the supplier's expense.

Statistical analysis as well as action plans and corresponding progress reports have to be presented to Seuffer every week.

The supplier has to compile a sorting instruction for the external third party which has to be approved by Seuffer before implementation of the inspection process.

The supplier is responsible for the proper execution of the sorting work, the documentation of the results and for the quality delivered to Seuffer.

Tested products as well as packaging have to be marked separately.

Type and measure of marking have to be agreed upon with Seuffer.

De-Escalation:

The following criteria has to be fulfilled:

- Elimination of nonconformity at the CSL work station
- Effectivity of action plan is verified
- Satisfying 8D performance (response time, contents)

Criteria must be fulfilled for at least 2 successive months (or longer if demanded by Seuffer)