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# Handbook

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## 1. Purpose

SEM AB has the intention of a Zero Defect Policy. All incoming goods must be according to drawings and specifications or other communicated demands from SEM AB or the end customer.

In the environmental policy, SEM AB states to produce with as little environmental footprint as possible. Our company also has the intention that all employed people, both at SEM AB and our suppliers and their suppliers shall have good work environment.

## 2. Scope

This Supplier Handbook applies to all suppliers of direct material to SEM AB.

## 3. Code of Conduct

SEM AB's Code of Conduct shall be signed by all suppliers of direct material.

## 4. Acronyms and Definitions

General according to AIAG (Automotive Industry Action Group) manuals:

**APQP** = Advanced Product Quality Planning  
**PPAP** = Production Part Approval Process  
**SPC** = Statistical Process Control  
**MSA** = Measurement System Analysis  
**FMEA** = Failure Mode Effect Analysis

Other relevant manuals/systems:

**IMDS** = International Material Data System

SEM specific:

**DR** = Deviation Report  
**DAR** = Deviation Approval Request  
**SCR** = Supplier Change Request

## 5. Prohibited and Restricted Materials

SEM AB requires its suppliers to follow REACH, RoHS and restrictions regarding Conflict Minerals or other relevant laws and restrictions. The latest version of restriction or law shall be followed as a minimum regarding prohibited and restricted materials. "Suppliers Declaration of Compliance" template available on [www.sem.se](http://www.sem.se) for download, signing and return to SEM purchase department.



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Revision: 3

Approved:

Date:

SD/JF

2018-08-22

## 6. Quality System Requirements

Suppliers are responsible for the development, documentation, implementation and maintenance of a quality system that complies with the ISO 9001 as a minimum quality demand. Suppliers are encouraged to become certified to the quality management system standard IATF 16949, the environmental management system ISO 14001 and ISO 45000 or equivalent. Suppliers to the Automotive Industry shall have the objective to become certified to IATF 16949.

## 7. Continuous Improvement

Suppliers to SEM AB shall have an established way of working with continuous improvement but are of course obliged to inform and get approval from SEM AB as a customer of any change made to process or product. Changes might also need to be verified by SEM AB or end customer before implementation.

All changes in product, process or material shall be described in an SCR sent to SEM AB. In the SCR the supplier shall describe the proposed change and also how to verify it. SEM AB needs to approve in written before any change can be done.

## 8. Supplier Selection

In the selection process at SEM AB you as a supplier shall be able to fill in the supplier evaluation sheet and fulfil the minimum demands set out in this evaluation, send a copy of your valid quality certificate of IATF 16949 or ISO 9001 (minimum demand), be prepared for a process/product audit and also evaluate your own possibility to fulfil the demands in the supplier handbook you are now reading.

## 9. Design Control

The supplier shall contribute with suggestion of cost reduction etc even when design is owned by customer.

## 10. Advanced Product Quality Planning (APQP)

SEM AB wants their suppliers to work according to APQP both in their own process and at their sub suppliers.

## 11. Production Part Approval Process (PPAP)

SEM AB demands from their suppliers:

Complete PPAP documentation shall be available upon request.

Default level is PPAP level 3, if nothing else is stated in quotation request, purchase order etc.

All samples required and needed for PPAP process are to be delivered free of charge.

## 12. Non-Conforming Material

SEM AB will send out a DR (Deviation Report) if the case of non-conforming material.

The supplier can get obliged to sorting responsibility; payment responsibility etc. SEM AB will also demand documentation in the return to describe actions in the short term, long term etc. It is preferable to use 8D report or equivalent.



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## 13. Maintenance

Suppliers shall have systems for periodic maintenance for process and measurement equipment used to produce products to SEM AB.

## 14. Other Quality Requirements for Suppliers

### a. IMDS

When the customer so requests, the supplier to SEM AB shall register all components, semi-components and materials in the delivered product at the IMDS website, [www.mdssystem.com](http://www.mdssystem.com).

If this IMDS demand is stated as mentioned above, SEM AB will not approve any PPAP before this is registered completely at the website.

### b. Environmental

Minimum requirement for environmental demands is stated in SEM AB's "SEM Supplier Self or Site Assessment".

### c. Packaging

If nothing else is stated from SEM AB, the packaging will automatically be approved after the third delivery counting from SOP date.

The intention shall always be to use returnable packaging material and, if possible, recycled packaging material.

### d. Labelling

If nothing else is stated from SEM AB, the minimum demand for labelling is to include SEM purchase order number, SEM AB's and suppliers part number and quantity of parts in the packaging.

## 15. Monitoring and Evaluation

The supplier shall allow on-site verification activities as required by SEM AB and its customers, on-site Process/Product Audits and System Assessments when requested by SEM AB and allow visits by SEM AB personnel to their suppliers for purposes of audit, PPAP review, APQP review, review of corrective action effectiveness, or any other reason related to the quality of components produced for SEM AB.

## 16. Additional Information

All requirements in this document are general and other more specific requirements can be stated in drawings, standards, orders, agreements and others between SEM AB and the supplier.

## 17. Secrecy

In general, we want our supplier to be very careful with all information, both in written and verbal, between SEM AB and themselves. We do not want any information that is not public known to be communicated with any third part without written approval from SEM AB.