

# Munters Supplier Requirements



## 1 GENERAL

The Authorized supplier representative is the designated Category Manager within Munters Global Sourcing.

## 2 CERTIFICATION REQUIREMENTS

All suppliers developing or supplying production parts and spare parts (service parts) shall be third party certified to ISO 9001. The certifications shall apply for all manufacturing sites supplying to Munters.

Non-manufacturing organizations (for example distributors and agents), must ensure that the manufacturers of the products are certified to ISO 9001 by an accredited third-party certification body.

The supplier must apply the rules and procedures stipulated for such certification.

## 3 MUNTERS STANDARDS

Suppliers shall comply with Munters Standards in all applicable situations and according to technical specifications.

## 4 GOVERNMENT AND INDUSTRY REGULATIONS

It is the suppliers' responsibility to be well acquainted with and educated on all systems and applicable legal requirements, which are valid for their supplied components. The supplier must exercise full control of the actions needed to guarantee the accomplishment of the requirements.

### 4.1 Specific Environmental demands

#### 4.1.1 Environmental Legal Requirement - REACH legislation

All Munters suppliers shall comply with the EU Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) (EC) No 1907/2006. Suppliers shall include Munters usage in the safety data sheet<sup>1</sup> of the substances concerned.

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<sup>1</sup> Safety data sheet are documents describing the known hazards associated with a material, indicating safe handling procedures and recommending responses to accidents and thus are invaluable sources of safety information.

Munters shall not be regarded, and will not act as an importer<sup>2</sup> of chemical substances or preparations under REACH.

Therefore suppliers outside of EU who deliver chemicals to Munters companies within EU shall point out an (the) Only Representative<sup>3</sup> within EU.

Notes:

Import = Outside of EU (including Norway, Iceland and Lichtenstein).

Chemical substances = means a chemical element and its compounds in the natural state.

Preparation = means a mixture or solution composed of two or more substances.

## 4.1.2 RoHS-directive

The supplier must ensure that all products that are delivered to Munters meet the requirements according to RoHS (EU Directive 2015/863).

The supplier must also monitor additions and changes to the RoHS Directive, and reviewing the procedures and products as required.

## 4.1.3 Conflict minerals

Conflict Minerals refers to minerals or other derivatives (Tin, Tantalum, Tungsten, and Gold, also known as 3TG) mined in the eastern provinces of the Democratic Republic of the Congo (DRC) and in the adjoining countries where the revenues of the 3TG minerals may be directly or indirectly financing armed groups engaged in civil war resulting in serious social and environmental abuses. In July 2010, the United States passed the Dodd-Frank Financial Reform & Consumer Protection Act, section 1502(b) requiring all US public companies and their suppliers to disclose the chain of custody usage of conflict minerals.

Munters fully supports U.S. Securities and Exchange Commission (SEC) reporting and section 1502 of the Dodd-Frank regulation.

Munters expect our suppliers to comply with the Dodd-Frank regulation and source materials from DRC conflict-free sources. Suppliers shall exercise due diligence to ensure that these conflict minerals are not contained in its products on its entire supply chain.

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<sup>2</sup> According to Chapter 2 and Article 3.11 (REACH legislation).

<sup>3</sup> According Chapter 2 Article 8 (REACH legislation) a legal or natural person outside of EU can nominate an only representative located within EU, to carry out the required registration of their substances that are imported into the Community.

## 5 MUTERS PROPERTY

An inventory of Munters owned tooling and equipment shall be carried out annually and reported to Munters.

Munters owned tooling and equipment shall be permanently marked with a Munters identification plate, showing the Munters tool number, so that the ownership and identity of each item is visually apparent. In cases where the tool number includes a set of tooling, each tool unit shall be marked with a unique suffix.

Munters Global Sourcing shall provide the supplier with the tool plates.

The supplier is responsible for maintaining the tooling and equipment so full functionality is retained.

Tooling is owned by and the sole property of Munters AB. Munters is entitled to retrieve the tooling from the supplier at any time without a statement of grounds.

## 6 SUSTAINABILITY

All suppliers must be compliant with [Munters Supplier Code of Conduct](#). Based on internationally agreed regulations and standards, such as the 10 principles of the UN Global Compact, the Universal Declaration on Human Rights and the International Labour Organizations' Core Conventions on Labour Standards.

## 7 QUALITY ASSURANCE OF DELIVERED PARTS

All matters regarding the quality assurance of parts shall be directed to the designated quality engineer within Munters.

Munters must approve all parts before deliveries commence.

### 7.1 APQP

APQP (Advanced Product Quality Planning) shall be done for the introduction of new parts or components from a supplier, as well as part modifications and process changes. The plan shall be according to the principles defined in the APQP Manual.

### 7.2 Master Sample

If requested by Munters the supplier shall retain master samples of all delivered products.

### 7.3 MSA

The supplier shall perform Measurement System Analysis for all control and measuring equipment used in the production of parts/components for delivery to Munters.

The analysis shall be done according to the Measurement Systems Analysis Manual.

### 7.4 Sub-Suppliers

Suppliers to Munters are responsible for approval process for parts they purchase from sub-suppliers. In every case, Suppliers to Munters remain fully responsible for the end product supplied and is the respondent party for Munters.

### 7.5 Audit

Suppliers are always obliged to accept site audits performed by Munters, or a third party representing Munters.

## 8 CHANGE MANAGEMENT

### 8.1 Notification of Engineering Changes (initiated by Munters)

Suppliers may receive a Product Change Request (PCR) intended to provide early notification of potential product changes. Suppliers will receive formal notice of design changes by an Engineering Change Notice (ECN). The method of notification is dependent upon changes occurring prior to, or after start of serial production. When a change is required, a Product Change Request will be forwarded to the supplier along with an updated drawing for review.

In line with the extent of the change, suppliers should conduct an appropriate review and update of their supplier's quality assurance system, such as a review of the P-FMEA, Control Plan and Process Flow.

The changes must be approved before they may be implemented.

## 8.2 Supplier Change Request

All changes to products or processes used to produce the products shall be submitted to Munters for approval.

The changes must be approved before they may be implemented. The request shall be submitted to the responsible supplier representative or designated quality engineer.

## 9 DEVIATION HANDLING

Defective parts detected in Munters factories are communicated to the supplier by use of an Inspection Report through mail, fax or over the Internet. The Inspection Report is used by all Munters plants to document product non-conformances. An Inspection Report may also be issued for shipment of mislabeled parts, over/under shipment or improper packaging.

The format of these reports may vary slightly between the different plants, but the important common requirement is that the problem solving process starts immediately upon receipt of the Inspection Report to contain suspect product and avoid any further production disturbances.

The supplier is requested to take containment action within 24 hours of notification, and report plans to contain the non-conformance. Once containment is in place, action must be taken to complete a detailed root cause analysis of the problem.

The Eight Discipline (8D) problem management tool is requested for documenting the investigation and responding to customer returns or major quality issues. Suppliers may use their own 8D standard form.

### 9.1 Deviation Approval

Deviating material may not be delivered to Munters.

In some exceptional situations, specification requirements may be expanded to allow delivery. In such cases, a Munters waiver, EFR (Exemption from Requirement), must be requested from the responsible supplier representative or designated quality engineer. The Exemption from Requirement waiver must be approved, in writing, by Munters before deliveries are allowed.

Supplier may use own standard templates describing background, deviation, short- and long-term action in order to prevent non-conformity from re-occurring.

## 10 COMMUNICATION

All official communication shall be in English.

### 10.1 Records retention

Production part approvals, tooling records, selection of Special Characteristics and purchase orders (including changes) shall be kept as long as the part is active for production and/or spare parts requirements plus one calendar year.

Quality performance records (for example control charts, inspection and test results) shall be kept for the current year plus one calendar year.

Records of internal quality system audits, product audits, layout inspection and functional testing and management review shall be kept for three years.

The above time periods shall be regarded as minimum and may need to be longer, for example by governmental requirements.

## 11 BUSINESS CONTINUITY PLANNING

In addition to preparing contingency plans, the supplier shall perform a thorough and systematic risk analysis of business interruption, also called Business Continuity Planning (BCP). It identifies risk areas, creates solutions, implements improvements, and performs acceptance tests and maintenance of the BCP.

The aim is to map and prevent unexpected delivery stops to Munters.

The outcome of the analysis includes a contingency plan and an emergency plan.

Contingency Plan shows specific solutions for different risks e.g. machine or tool breakdown, media supply interruption, fire, flooding, storm, snow. Emergency Plan shows the short-term actions and planning to take care of accidents and personal injuries.