

Supplier  
Manual  
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## 1 General information

RONAL AG and its subsidiaries (hereafter called RONAL GROUP) is a leading manufacturer in the international market for light alloy wheels. With its services, the company covers the complete process chain – all production stages, from engineering through tooling to the finished product are carried out by the RONAL GROUP using high-tech production facilities. Innovative processes and specially developed technologies demonstrate the innovative strength and high-quality standards of the company.

Ensuring long-term customer satisfaction is paramount in reaching this goal. At the RONAL GROUP we supply our customers with high-quality products. This can only be achieved by our consistent application of proven and new methods to ensure the quality and processes.

As the RONAL GROUP we therefore feel it is our responsibility to work closely with our suppliers, to exchange information reliably and consistently follow up possibilities for improvement. We want the partnership to be beneficial to both sides.

### 1.1 Purpose of the manual

The supplier manual is a guideline to cooperation between the RONAL GROUP and its suppliers. The provisions, processes and methods described therein must be consistently applied and realized in practice. The supplier manual describes the principles and procedures for cooperative partnership with our suppliers while observing the compliance rules in place at the RONAL GROUP, regardless of the location of suppliers' processing sites for production goods and merchandise. The shared objective is to manufacture wheels of the highest quality and to secure and sustainably build on a cooperative partnership which will meet the requirements of our customers.

The RONAL GROUP has introduced a certified quality management system in accordance with the requirements of IATF 16949:2016 and is committed, in addition to official and legal requirements, to fulfilling any applicable customer requirements. A special focus of this standard is the development of suppliers and subcontractors to fulfill these automobile-specific requirements, in addition to the transfer of customer requirements to automobile manufacturers over the entire supply chain to ensure prompt delivery of specification-compliant products in accordance with our requirements.

The supplier manual is a legally binding document. It forms the basis of the RONAL GROUP's business relationship with a supplier and is the guideline for permanent, successful and valuable partnership cooperation.

### 1.2 Objectives of the manual

The quality of the partner in terms of competence, flexibility and reliability, and the quality of the interaction in the entire supply chain determine customer satisfaction and hence the competitiveness of our company. To ensure that these high standards are met and maintained, we expect you, our supplier, to have effective management systems at your disposal and to regularly provide documentary evidence of the proper functioning of your systems.

Our customers demand continuous improvements to quality and an undertaking to meet the ZERO FAULT OBJECTIVE. We also expect our suppliers to have this objective. This is the only way we can achieve a comprehensive understanding of quality that will meet our customers' requirements throughout the entire supply chain: Supplier → RONAL GROUP → Customers

The RONAL GROUP aims to have an enduring and high-value partnership with its suppliers. This supplier manual should help to improve relationships between the respective partner and RONAL GROUP, to minimize friction losses and to prevent additional expenses and

costs.

## 1.3 Scope of application of the manual

This manual applies to suppliers of capital goods and production goods (including merchandise) as well as services, regardless of where they are located. It forms the basis for cooperation along the whole supply chain for the RONAL GROUP and is applicable to all supplies to group companies of the RONAL GROUP.

The RONAL GROUP reserves the right to dispatch experts to the supplier's premises to verify that the conditions described below are being met. Notice of such inspections will be given in advance and they will be conducted during normal business hours and in compliance with local legislation.

## 1.4 Non-disclosure/Confidentiality

The supplier commits to keep confidential information that is mutually obtained, and in particular not to divulge it in any form to third parties. The supplier shall ensure that all employees affected are also under this obligation.

If required, the RONAL GROUP may request that a separate non-disclosure agreement (NDA) be signed by suppliers.

## 1.5 Emergency management

Suppliers are asked to draw up emergency plans to ensure supply in emergencies. Events (strike, fire, insolvency of subcontractors etc.), that could negatively impact ordered supplies in terms of product quality, delivery deadlines or quantities, must be reported to the RONAL GROUP

Procurement/Purchasing as soon as they are known. In order that the supplier, despite emergencies such as this, is able to deliver perfect products in the quantities ordered, he must take appropriate precautionary measures. These measures must be presented in an emergency plan at the request of the RONAL GROUP, and implemented.

Possible examples of such measures include:

- Building reserve stocks
- Having alternative production possibilities/checking these out
- Knowing where to source alternative raw materials
- Having adequate data processing backup measures
- Having flexible capacity to ensure short-term rework supplies (weekend work, extra shifts etc.)
- Communication network with contact partners and representatives in different departments

## 1.6 Code of Conduct

The statutory and ethical principles contained in the RONAL GROUP Code of Conduct form the basis of sustained business success. The Code of Conduct serves to encourage trust between employees, business partners and customers. The Code of Conduct can be viewed at any time on our homepage on [ronalgroup.com/firmenkultur/code-of-conduct](http://ronalgroup.com/firmenkultur/code-of-conduct). The RONAL GROUP expects the supplier to provide reasonable assurance that the principles described in the Code of Conduct are implemented and adhered to in its organization.

## 2 Working together

### 2.1 Contact persons

To achieve joint objectives, it is imperative that the supplier and the strategic procurement/operational purchasing departments of the RONAL GROUP work together closely. To guarantee maximum effectiveness, transparency and coordination, the supplier undertakes to work with the strategic procurement/operational purchasing departments of the RONAL GROUP on all commercial and technical matters.

Technical discussions or meetings of any kind at our sites must be arranged in advance with the buyer at the site in question.

### 2.2 Liability insurance/Product liability insurance

For the duration of any business relationship with the RONAL GROUP, suppliers must have liability insurance and if appropriate product liability insurance to cover, amongst other things, claims for compensation resulting from property or personal injury. On request RONAL GROUP must be given a certificate of insurance, which must be renewed without being asked in the event of any change to the terms of the insurance contract.

### 2.3 Product Safety Officer

RONAL GROUP reserves the right to oblige the supplier to nominate a product safety officer. If the product safety officer does not satisfy the RONAL GROUP customer requirements, it is the duty of the supplier to have the PSO trained at a recognized training company. Evidence of this training and his or her contact details must be supplied to the RONAL GROUP. If customer-specific requirements contradict the content of this paragraph, the supplier will be informed of these requirements and these shall take precedence.

### 2.4 Traceability

The traceability of products must be guaranteed commensurate with their risk. Particular care must be taken with products that have special properties. Products with special properties must be labeled as such so that they can be traced seamlessly back to the batch of raw material used, including the manufacturing date and the quantity. Specific or more detailed traceability regulations shall remain unaffected.

## 3 Logistics

### 3.1 Information required as a minimum on invoices and delivery notes

The supplier must ensure, where nothing else has been agreed, that at least the following information is given on delivery notes and invoices:

- Recipient
  - Address of the receiving factory
- Supplier, sender
  - Company designation
  - Address
- Delivery note number

- Dispatch data
  - Incoterms (latest version)
  - Gross weight [kg]
  - Net weight [kg]
  - Type of packaging
- Additional data
  - Order number
  - Itemized list of packaging contents with details of lot/batch and item number
  - Batch and/or serial number
- Contact person
  - Name and telephone number
- Delivery notes
  - RONAL GROUP article number
  - Supplier's material number
  - Name of the article
  - Quantity including unit

The invoice date is used to determine the payment terms.

RONAL GROUP would like the invoice to be in digital format unless agreed otherwise by the parties. RONAL GROUP reserve the right to charge an additional administrative fee if details on a delivery note or invoice are incorrect or missing.

## 3.2 Processing

The terms of delivery and the logistics requirements describe all the key criteria for delivery documentation and order processing.

### Contact persons and availability

From the start of the period of cooperation, the supplier must name a person and a deputy, who may be contacted by the RONAL GROUP on logistics-related matters. The contact person and the deputy contact person should be available on work days between 8 am and 4 pm (supplier's local time). The contact person (and the deputy) must be able to speak the language of the local factory receiving the delivery or English.

### Packaging principles (type, materials and labeling)

The packaging chosen must be appropriate for the requirements of the goods to be packaged.

### Dispatch

If no other arrangement is agreed, the supplier must use a carrier specified by the RONAL GROUP. The transport partner must be given the correct freight papers and accompanying documentation.

### Empty containers

If there are any, the supplier shall keep account of empty containers and regularly reconcile the account with its immediate exchange partner.

## 4 Processing of complaints

If during the goods receipt testing or further processing and use, defects or evidence of the existence of defects in the product supplied are discovered, the supplier shall be informed, and RONAL GROUP reserves the right to make claims for all defects (warranty). The supplier shall thereupon introduce immediate measures to prevent further defective supplies, and inform via an 8D report and/or a list of deficiencies (for capital goods only).

The outcome of the final cause analysis, and the permanently-introduced corrective actions resulting from this and their effectiveness shall be reported to the RONAL GROUP immediately in the form of an 8D report and/or deficiency list. The 8D report can be downloaded from the RONAL GROUP homepage [ronalgroup.com/lieferanten](http://ronalgroup.com/lieferanten).

## 5 Supplier management

### 5.1 Selection of suppliers

The information required is obtained from a survey completed by the supplier and additionally via an audit of the supplier. A defined supplier approval procedure ensures that RONAL GROUP only includes those companies in the list of licensed suppliers who share our high standards and which in turn demand these of their entire supply chain.

### 5.2 Monitoring and assessing suppliers

Performance indicators for suppliers are monitored regularly and form the basis for their grading in our supplier assessment system. Suppliers receive the result of their grading at least once yearly. Suppliers whose performance is seen to deviate substantially from that agreed will receive event-related results of their assessment at shorter intervals. These will entail measures to return their performance to a satisfactory level.

The following criteria are used to assess suppliers:

- Logistics performance (supplier reliability)
- Conformity of supplied products and services, evaluated during goods receipt testing
- Number of complaints
- Subject-related criteria

During the supplier assessment, suppliers will be classified into categories A, B and C based on the criteria mentioned above:

A-supplier = 93 – 100 points

B-supplier = 81 – 92 points

C-supplier = 81 – 80 points

With B and C suppliers, joint corrective and prevention actions will be agreed with the objective of establishing sustained supplier performance at the required level.

Assessment criteria at good inwards testing

After a positive assessment of the ability of the supplier, and after supplier samples have been taken and are released, products and services will undergo a goods group-based goods inwards testing based on

agreed technical documents and specifications, to test the conformity of such goods with the requirements according to the following viewpoints:

- Compliance of quantity and date by comparison with order dates;
- Quality testing with assessment of number of defective parts in the sample (and not the number of defects);
- If several defects are detected in one part, the most serious defect will be included in the assessment;
- Only if defects are being identified during further processing (due to the random sampling nature), during the goods inwards testing or based on a discovered deficiency, the delivery batch shall be allocated as far as possible, and included as complaints in the assessment.

Complaints that are relevant to the assessment

The following complaints (on application, use and processing) are also included in the supplier assessment:

- Non-conformities with agreed technical documents and specifications;
- Supplier-related complaints and disturbances (e.g. if delivery stops) from customers of the RONAL GROUP;
- Supplier-related warranty complaints from customers of the RONAL GROUP;
- Extra journeys caused by the supplier (incidents and additional freight costs);
- Reports from customers about a special customer status due to quality or supply problems, caused by a supplier of the RONAL GROUP.

The supplier is obliged to inform RONAL GROUP, if based on his own supplier relationship he receives special customer status as an OE (original equipment) customer.

## 5.3 Supplier development

Planned audits of a supplier are one means of supplier development. The supplier is informed in good time of any upcoming supplier audits and must ensure that they can take place without any problems. If quality deviates from the agreed service, we reserve the right to undertake audits in response to events in order to facilitate restoration of the quality capability. These audits are carried out at short notice.

Unless otherwise agreed by the end customer, RONAL GROUP must demand from its suppliers of products and services for the automobile industry, that they develop, introduce and improve a QM system that is certified according to ISO 9001:2015. In exceptional circumstances, a supplier without certification can be licensed through second-party audits, with the aim of obtaining certification according to this QMS standard of the automobile industry. Unless otherwise specified by the customer and reasonable, the following sequence of all RONAL GROUP suppliers should be used to fulfill these requirements:

- a. Assessment of conformity with ISO 9001:2015 or VDA 6.4 through a second-party audit (e.g.: RONAL GROUP or company nominated by them)
- b. ISO certification 9001:2015 or VDA 6.4 through an authorized certification body (third-party audit)
- c. ISO certification 9001:2015 or VDA 6.4 through an authorized certification body (third-party audit) and assessment of conformity with other requirements laid down by the RONAL GROUP (MAQMSR etc.) through a second-party audit (e.g.: RONAL GROUP or company nominated by them) and exclusively for suppliers of serial parts, replacement parts and equipment parts for the automobile industry
- d. ISO certification 9001:2015 or VDA 6.4 through an authorized certification body (third-party audit) and assessment of conformity with IATF 16949 standards<sup>1</sup> through a second-party audit (e.g.: RONAL GROUP or company nominated by them)

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<sup>1</sup> Scope of application – automobile-specific additional requirements of ISO 9001:2015

- e. Certification in accordance with IATF 16949 from an authorized certification body (third-party audit)

**Note:** The automobile-specific additional requirements of IATF 16949 are not applicable to suppliers of tools, clamping tools, machines and equipment (capital goods), auxiliary and operating materials, or providers of intangible goods.

Suppliers who currently have no certification according to IATF 16949, must be certified according to the current version of ISO 9001 and adhere to "Minimum Automotive Quality Management System Requirements for Sub-Tier Suppliers - MAQMSR" (downloadable from [www.iatfglobaloversight.org/](http://www.iatfglobaloversight.org/) – OEM Customer-Specific Requirements) in order to fulfil the minimum requirements.

After discussion and if required, suppliers of the RONAL GROUP shall be supported in reaching this objective of the automobile industry, e.g. with second-party audits. RONAL GROUP can request the suppliers to carry out an annual self-audit in accordance with VDA 6.3 (or similar, according to customer conditions) and to make the result available to the RONAL GROUP.

Furthermore, the supplier shall make available to RONAL GROUP, without them asking, all applicable and necessary certificates (e.g.: ISO 9001:2015).

## 6 Quality management

The supplier must document the process which ensures that all the processes, products and services provided externally in the exporting country, the importing country and the destination country named by the customer are met.

If the customer puts in place special monitoring measures for certain products which are subject to legal and official provisions, the supplier must ensure that this monitoring process is carried out as required and maintained continuously.

The supplier must inform its subcontractors about all relevant legal and official requirements and all special properties relating to products and processes. Similarly, the subcontractors must be obliged to pass all the relevant requirements along the supply chain as far as the actual place of manufacture.

In the event of planned, essential changes in the production process (e.g. new production procedure, site relocations etc.) to its product or its supply source, the supplier is obliged to inform RONAL GROUP at least 6 months before the planned implementation and to obtain written authorization.

A new release and sampling procedure must be agreed with the RONAL GROUP to prove the conformity of the products supplied.

The need for a process audit (self-audit, second-party audit etc.) will be determined by the RONAL GROUP depending on the change.

Further provisions, provided appropriate and reasonable, shall be made in the context of a separate quality assurance agreement (QAA) with the supplier.

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- This QMS standard of the automobile industry defines the requirements of QM systems for development and production and, if applicable, fitting, assembly of and services for automobile industry products, including products with integrated software.
  - This QMS standard of the automobile industry can be applied in all locations of an organization, where its serial parts, replacement parts and/or original equipment parts are manufactured according to customer specifications.
  - This QMS standard of the automobile industry should be applied throughout the supply chain of the automobile industry.

## 7 Environment and Energy

We expect that

- our suppliers actively support us in realizing our environmental and sustainable actions, from acceptance of the contract to final waste disposal.
- our suppliers handle raw materials, products, packaging and waste correctly and with concern for the environment.
- attention is paid to high energy efficiency in the components and plant components used.
- our suppliers undertake to comply with all environment-related legislation, including REACH registration (EC ordinance) of chemical substances to be supplied. The associated safety data sheet must be given to the RONAL GROUP strategic procurement/operational purchasing departments in German and English.
- The responsibilities and authorizations of all persons with environmentally and energy relevant duties in the cooperation with RONAL GROUP are documented and publicized.
- Our suppliers acknowledge that the evaluation of environmental and energy relevant aspects is part of the procurement process.

### 7.1 Hazardous materials

The RONAL GROUP uses a large number of raw, operating and auxiliary materials of many different kinds. Selection and correct use of these materials affect the quality, environmental compatibility and safety of the manufactured products, both during their manufacture and throughout the product lifecycle. Furthermore, any existing specifications concerning the choice of materials and the flow of information based on legal provisions and/or customer requirements must be taken into account and complied with throughout the whole value-added chain, i.e. from the raw material to the end product.

Furthermore, the supplier shall guarantee compliance with valid legal specifications regarding the use of hazardous materials, including, but not limited to those of the European Union, the North American Free Trade Agreement (NAFTA) states and the BRIC states, and shall also guarantee that the products it manufactures do not contain any legally prohibited materials and that notifiable materials are labeled as required.

The evidence described here is a mandatory component of the first article inspection. The article will be rejected if the evidence is not presented or is presented in a non-compliant form.

## 8 Sustainability

Ethical conduct and sustainability in terms of legal, economic, ecological and social responsibility are key components of the RONAL GROUP and our PLANBLUE initiative [ronalgroup.com/nachhaltigkeit](https://ronalgroup.com/nachhaltigkeit). This also includes long-term and trusted partnerships, as well as legally compliant conduct on the part of suppliers. The RONAL GROUP obtains raw materials, goods and services from suppliers around the world in order to ensure sustainable success for the company and its customers with innovative products. We expect from our suppliers that they implement the principles laid out on our homepage [ronalgroup.com/plan-blue/nachhaltigkeitsziele](https://ronalgroup.com/plan-blue/nachhaltigkeitsziele) in their company and monitor them in their supply chain. The guideline on sustainability can be downloaded from our homepage at any time [ronalgroup.com/RONAL-GROUP/de.pdf](https://ronalgroup.com/RONAL-GROUP/de.pdf).