



# Famateel®

Supplier manual  
2024

Ingenuity and  
electrical solutions



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Considering that the activities of FAMATEL S.A (FME from now on) depend to a large extent on the quality of the products supplied, we think it essential to face this challenge together with our suppliers so that our products are successful on the market.

Successful cooperation implies strict compliance with price, supply reliability, quality and innovation requirements at all levels of the supply chain, up to delivery to FME's final customers. Therefore, this guide gives an updated description of the key quality requirements that our suppliers are expected to comply with when working with us.

When presenting an offer as a potential supplier, the provider acknowledges that they have read, understood and accepted the requirements established in this guide and undertake to comply with them without exceptions, promising to guarantee their implementation in their entire supply chain.

**PURPOSE:** This manual has been created for suppliers of FME and informs them about quality, delivery and purchasing requirements. This supplier quality Manual describes the commercial rules and requirements for suppliers, which are necessary to standardise processes, rejections and supplier performance.

This manual intends to extend the latest requirements of ISO9001 and include additional requirements established by FME. This document defines the basic quality systems and procedures required by FME and intends to offer a guide to suppliers regarding these requirements. The supplier quality system is subject to revision and evaluation by FME personnel, and this document will serve as a basis for the revision.

**SCOPE:** This manual is mandatory for all suppliers of production materials (raw materials, components and subcontracted industrial processes) to FME and other companies registered under the FME name and for all product lines.

FME has the necessary supplier quality, engineering and materials laboratory personnel available to guide for our suppliers in materialising these priorities. We believe that FME will not be able to achieve success without excellent quality, costs, service and technology based on a close relationship with our suppliers.

## **1. CODE OF CONDUCT AND CORPORATE SOCIAL RESPONSIBILITY**

This code of conduct applies to employees, trading partners and any person or company with a contractual relationship with FME.

The code of conduct for suppliers establishes the principles that determine the ethical culture and direct the relationship between FME and their suppliers, establishing minimum conduct guidelines that they must follow. This Code reflects the letter and spirit of the values and action guidelines found in FME's policies. This commitment is strengthened with the adhesion to business behaviour models such as the Universal Declaration of Human Rights, the Principles of the Global Compact and the Sustainable Development Goals (SDG). FME considers its relationship with suppliers is indispensable for achieving its goals; therefore, it strives to establish long-term relationships based on trust, mutual respect and transparency. Thus, FME promotes and incentivises suppliers to adopt practices aligned with the guidelines set out in this Code. In the same way, as FME extends its commitments regarding suppliers, company employees will act according to the principles and provisions set out in FME's Ethical Code for employees.

### **1.1. How do we promote ethics and compliance among our suppliers?**

Ethics is an integral part of FME's culture and governs its relationship with third parties, which include suppliers. Therefore, FME allocates sufficient resources to ensure the effectiveness of its ethical model. FME's suppliers must formally undertake to comply with the Action Principles set out in this Code of Conduct the moment they establish a commercial relationship and for its entire duration. Suppliers will inform their employees, as necessary, of this Code to ensure their compliance, and they will promote the adoption of the principles set out in this Code among their suppliers and subcontractors. Suppliers must allow FME and/or third parties appointed by the company to evaluate compliance with the Code's principles through audits. For this purpose, suppliers will provide the necessary information and cooperate with the company. FME establishes the supplier's obligation to inform, as soon as possible, using the established channels, of any breach of the principles set out



in the Code. Likewise, questions regarding ethics and compliance will be included in the evaluation and selection processes for third parties. Any breach of these principles could result in the adoption of measures, such as the application of corrective action plans or contract suspension and/or termination, depending on the severity of the breach.

## **1.2. Fme's commitments**

In its relationship with suppliers, among other things, FME undertakes to

- Act with impartiality and objectivity through supplier purchasing and selection documents, following technical, economic and quality criteria and in compliance with the procedures established by the organisation.
- Establish lasting relationships based on trust, mutual respect and transparency, avoiding significant economic dependency situations and promoting the economic development of the supplier beyond their relationship with FME.
- Promote efficiency in the relationship with suppliers, ensuring adequate coordination in their interactions and striving for continuous improvement.
- Make responsible and professional use of information, always preserving its confidentiality and complying with data protection legislation. FME also undertakes to respect intellectual property rights.

## **1.3. Principles of ethical conduct for our suppliers**

The principles of conduct in this Code, based on FME's values, are grouped in:

### **A) Ethics and transparency**

FME assumes ethics, integrity and transparency as core elements in its actions and relations with third parties. Therefore, these values are also extended to their suppliers, who are expected to comply with legislation and act ethically, integrally and transparently.

### **B) Compliance with legislation and action abiding by universal ethical values.**

FME suppliers must know the legislation affecting their activities and act in accordance at all times, exercise loyal competition, use market mechanisms and tools that respect commercial good faith and behave ethically in all their actions. Suppliers must not carry out unethical practices or behaviour, which even if not illegal, could harm the reputation of FME and affect their interests negatively. FME suppliers must ensure that their employees know the regulations affecting their work and will establish the necessary internal controls to ensure compliance with the law as well as the ethical values of this Code of Conduct for Suppliers.

### **C) Measures against corruption, bribery and money laundering**

FME suppliers will abstain from practices involving corruption any form, including extortion, bribery and sweeteners. No supplier should accept, offer or grant to any employee of FME and/or third party related to them, in the context of the business activity developed for or on behalf of FME - either direct or indirectly- gifts, presents or other unauthorised advantages, either in cash or in any other manner, for obtaining favours, or which could affect a commercial relationship based on objectivity and impartiality.

## **1.4. Conflicts of interest**

Suppliers must avoid situations that could give rise to a conflict of interest between their employees and the interests of FME and should maintain mechanisms that, in case of a potential conflict of interests of any of their employees, will guarantee the independence of the suppliers' actions and their full compliance with legislation.

## **1.5. Human rights**

Within its scope of influence, FME promotes respect for human rights as acknowledged in the United Nations Universal Declaration of Human Rights and observes the compliance of their governing principles over companies and human rights. Compliance with human rights is a fundamental pillar of the relationship with suppliers, contractors and other partners, and, therefore, it refuses to work with third parties that are not rigorous in protecting and safeguarding these rights.



### **1.6. Prohibition of forced labour**

Suppliers must adopt the necessary measures in their organisation not to permit any form of forced or compulsory labour, understood as work or services demanded from an individual under threat or coercion. They must also adopt employment policies compatible with the principles established by the International Labour Organisation (ILO) regarding this issue.

### **1.7. Prohibition of child labour**

FME requires its suppliers to know and comply with ILO conventions on the elimination of child labour (Convention 182), referring to the abolition of all forms of slavery, use and recruitment for illegal activities and prostitution of those under the age of 18 and the consideration of the minimum age to work, established in the corresponding geographical location but not less than the age of the end of compulsory education or, in any case, the age of 15 (Convention 138).

### **1.8. Respecting the right of association and collective negotiation**

Suppliers will respect the freedom of labour association and the right to collective wage bargaining of workers, observing the applicable regulations in each case and without reprisals for exercising this right. If the supplier carries out activities in jurisdictions where the right of association of labour union freedom is not recognised or is illegal, the supplier will provide alternatives to exercise this right, always within the legal framework of the country.

### **1.9. Decent employment**

Suppliers must comply with the laws and regulations regarding salaries and work schedules, respecting all the workers' rights, such as adequate wages, paid overtime, social benefits and the right to rest.

### **1.10. Equal opportunities and non-discrimination**

Suppliers will promote equal opportunities and will not tolerate discriminatory employment practices for reasons of race, colour, gender, sexual orientation, religion, political opinion, nationality or origin. Suppliers will not permit physical, moral or psychological harassment or abuse of authority, or any other behaviour that could create an intimidating environment or is offensive to the rights of people, treating all their employees with dignity and respect.

### **1.11. Health and safety**

FME prioritises the health and safety of its employees and suppliers in all its decisions and expects suppliers to promote good practices in this area and encourage preventive measures to ensure employees do their work in a healthy and safe environment.

### **1.12. Protection of workers' health and safety**

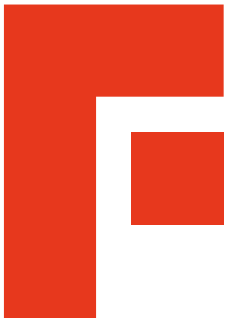
Suppliers will ensure the protection of their workers and encourage a culture of health and safety, offering their employees a safe working environment and undertaking to comply with all the work hazard prevention regulations. Minimum standards include Access to drinking water, adequate medical attention in the case of an accident and/or illness, personal protective equipment, when necessary, evaluation of hazards to prevent accidents and/or professional illnesses, health and safety training and information, initial and regular health checks as well as the necessary human and material resources to comply with all prevention obligations. They must also ensure the safety of all people affected by their work, always adopting the principle of precaution. Certification of the suppliers' management system in accordance with international standards such as ISO 45001 and OHSAS 18001 will also be appreciated.

### **1.13. Response in risk situations**

Suppliers must ensure that any potential risk situation that could affect the workplace will be identified, evaluated and handled appropriately. They will also minimise possible impacts by implementing emergency response plans.

### **1.14. Product and service quality**

For FME, the customer is at the centre of their decisions. Suppliers must be committed to improving their processes so FME customers will be satisfied by FME's quality standards without affecting the company's commitment to sustainability.



### **1.15. Compliance with quality and safety standards**

For FME, quality is the maximum customer satisfaction when using the product throughout its service life. Commercial products and services delivered by FME's suppliers must comply with the quality and safety standards and parameters required by legislation and conformity standards, and additionally, special attention must be given to compliance with agreed prices, delivery deadlines and/or post-sales services accompanying the product, where applicable.

**1.16.** The environment and commitment to the surroundings. FME promotes preservation and respect for the environment. This commitment is materialised in compliance with the best environmental practices in all their activities by minimising environmental impact, efficiency in the use of resources, reducing emissions and developing sustainable initiatives. In its relationships with suppliers, FME will transmit these principles and require compliance with the environmental procedures and requirements applicable in each specific case, always following the principle of precaution.

**1.17.** Compliance with environmental legislation and application of the best practices. In the commercial relationship with FME, besides having the necessary environmental permissions and licences to do their work, suppliers must be continually committed to protecting the environment and will comply with the applicable standards and requirements established in local, national and international legislation. They will also be committed to having an effective environmental management system that abides by local, national and international obligations as well as minimising the environmental impact of their activities and applying the best practices available. Suppliers must constantly strive to prevent and reduce risks and environmental impact of waste, effluents or emissions that affect the environment. Suppliers must assume responsibility for the impact of their activities, have the necessary resources to remedy and/or mitigate them and pay any possible fines imposed for this reason.

## **2. ACCEPTANCE OF FME'S CODE OF CONDUCT FOR SUPPLIERS**

FME suppliers undertake to respect the principles and provisions of FME's Code of Conduct for Suppliers, among which are the promotion of ethical behaviour, compliance with human and labour rights, product or service quality, control of health and safety, respect for the environment and the protection of assets and data of people and entities they work with. Likewise, the supplier also undertakes to transmit these values and principles to its suppliers and relevant counterparts. To guarantee that its suppliers comply strictly with the principles and requirements of this Code of Conduct, the company may, either internally or through external independent firms, audit this compliance in any of the supplier's installations, on any type of activity (production, administration, logistics, etc.), as well as on any installation related to the supplier (subcontractor, subsidiary, sub-provider), and the supplier will facilitate the necessary information in advance for the implementation of these audits. The FME supplier will also carry out an auto-evaluation of compliance with the principles of this Code of Conduct to identify aspects that could be improved. The results of this auto-evaluation will not lead to the cancellation of a contract except in cases of severe breaches. FME undertakes to maintain the confidentiality of the results of the suppliers' audits, as well as the results of the auto-evaluation.

### **INCORPORATION/EVALUATION OF NEW SUPPLIERS**

The automatic process for approving a potential FME supplier takes place in the following circumstances:

#### **2.1. ISO9001 Company registration.**

A copy of a valid certificate must be submitted. Once the documents have been submitted and the supplier has been evaluated, system elements will be checked as necessary. The appropriateness of the certification to the provisioning needs will also be verified. Suppliers certified by this process will have an initial evaluation of 100%

If the approval of a supplier is not automatic, the procedure will be as follows:



## 2.2 Auto-Evaluation Questionnaire and methodology for evaluating suppliers (attach) QUA-058

The supplier will be evaluated using the Self-Evaluation questionnaire (QUA-058), which will be sent by the purchasing manager to the potential supplier to see if they can be incorporated into the panel of authorised suppliers. The supplier will fill in the questionnaire adequately according to the questions and will return it to the purchasing/quality manager for evaluation and acceptance, if appropriate. The following table will determine the grading obtained and the evaluation:

Percentage obtained	Level	Evaluation
91-100%	A	Authorised. Totally satisfactory
70-90%	B	Authorised. Acceptable
<70%	C	Unauthorised

The quality department reserves the right to check the client's installations "in situ" to verify that the supplier complies with the answers of the Auto-Evaluation.

If the supplier obtains a Level C – Not Authorised - grade, a joint action plan may be implemented to improve the result and get Level A or B.

The auto evaluation questionnaire will establish guidelines for evaluating the supplier's performance for one year to be able to monitor the quality of the service (amount delivered/on-time delivery/quality). [\(Download\)](#)

## 3. PROCESS FOR APPROVING COMPONENTS AND RAW MATERIALS

The process for approving components for production must allow these products to be certified for production/ consumption on the production line according to the technical specifications established.

For this purpose and existing references, the procurement department will issue the "REQUEST FOR APPROVAL" document, which must include technical specifications, plans, materials used, tolerances (if defined) regarding dimensions, colour, etc., or lacking this, the results of the measurements of the sample components submitted by the supplier for validation.

To complete the report in question and based on the samples supplied, it will be necessary to prove the following:

- A) That the records and design specifications have been understood and complied with as expected
- B) That the manufacturing process in FME can produce compliant parts in a real production environment (mass production)

### 3.1 Scope of application

FME requires that its suppliers notify any change regarding:

- A) The manufacturing process.
- B) Any modification of the product: Changes of materials or technical specifications
- C) Changes of sub-level suppliers that could affect the final product delivered to FME.
- D) Renewal of current tools/tooling

A supplier that needs to make a change must inform FME of this in writing and provide the necessary resources to guarantee the product quality, and, if our quality department requires it, provide new samples to be validated.

Introducing modifications without the approval of FME could give rise to one of the following actions:

Any costs derived from correcting the situation created by an unauthorised change will be at the supplier's expense. The supplier will be required to complete corrective measures and prove that there are adequate checks to avoid its repetition. Once received by FME, our internal staff will evaluate this change.



### **3.2 Approval/rejection**

Once all the results are received from processes and the laboratory, the parts will be considered:

- A) Accepted/approved
- B) Rejected: The supplier should not send mass-produced amounts while the status of the REQUEST for APPROVAL is NOK

Once the supplier has been approved, they must ensure that future production complies with the requirements established by FME.

### **3.3 Significant production (raw materials)**

Minimally significant production will be required to introduce new parts or critical changes in supply sources, as defined by the process or industrial department. This “trial” production will be carried out with the stipulated production tools and equipment, environment (including the production workers), installations and cycle time.

Therefore, “reasonable” production operation for this trial will be based on:

- A) The total time for stabilisation of the process
- B) A precise calculation of the manufacturing cycle time
- C) Sufficient volume to complete the capacity studies.

Therefore, the parts for approval must be significant to comply with the points above. Samples will be taken from this significant production for measurements and testing.

## **4. PRODUCTION REQUIREMENTS**

The processes indicated below do not directly improve the quality of the product. However, the failure of these processes may adversely affect the quality of the product supplied.

### **4.1 Batch traceability**

Control of batches and traceability must be established to limit the size and impact of a possible product withdrawal in case of complaints and/or incidents. The control system must enable the collection of necessary information to get to the root cause.

Suppliers are responsible for guaranteeing that the batch traceability system maintains its integrity throughout the supply chain (including raw materials, purchased components, semi-finished assemblies, etc.).

### **4.2 First in, first Out**

Suppliers are responsible for maintaining inventory control systems that enable obsolete/discontinued/blocked material to be identified and thus avoid an unintended delivery or dispatch to FME.

Suppliers will maintain a first in, first out (FIFO) inventory management. This system should allow controls to extend to reworking/repair/reprocessing processes, as well as processes subcontracted to third parties.

### **4.3 Packaging**

FME will approve the packaging for each project. Once certified, the packaging cannot be changed without prior authorisation by FME. Non-compliance with packaging conditions will affect the evaluation of suppliers, being graded as an incident.





#### 4.4 Guarantees and agreed quality

The supplier expressly guarantees that the goods or services supplied are in good condition, comply with the specifications, design and description of the order and are fit for purpose and free from materials or manufacturing defects. The supplier expressly guarantees that they own the goods or services supplied and that they will be delivered/executed by qualified personnel with the required training in the sector in question.

#### 4.5 Management of non-conformities

Suppliers will take all necessary measures to deal with non-compliant products delivered to FME's installations (production workshops/warehouse)

Whenever possible, suppliers will receive an early notification of any problem arising before issuing a formal complaint.

Suppliers must immediately notify FME if they suspect non-compliant material has been sent to FME installations.

The purchasing and the industrial department will value the possible economic repercussions of an incident of this type. As well as the potential administrative costs derived from this, any costs associated with the resolution of the non-conformity will be calculated (investigation, classification, logistics, storage, ensuring future deliveries...), and the responsibility of the supplier will be taken into consideration, including any costs from faulty material affected. The hourly rates of FME when the non-conformity was detected will be applied.

**NON-CONFORMITY. In the case of severe or recurrent non-conformities, either by defect, out of specifications, a breach of applicable regulations or for any other reason attributable to the supplier, FAMATEL reserves the right to charge the supplier all the expenses associated with the non-conformity, as determined in each specific case.**

Goods or services acquired by an order made by FAMATEL will be subject to inspection and approval at the moment of delivery or later, and the corresponding incident document will be opened. FAMATEL reserves the right to refuse to accept goods or services that do not comply with the technical specifications established on plans and/or documentation provided with the order or are in breach of applicable regulations. The supplier will bear the costs of inspecting goods or services rejected or returned. Rejected goods or services may be returned at the expense of the supplier.

#### 4.6 Response deadlines

The deadlines to respond to a non-conformity begin to count from the moment the supplier is notified of the problem.

Immediately: Acknowledgement of receipt of the non-conformity

Within the first 48 hours: Containment activity carried out to include internal classification, transit and beginning to analyse the problem.

Within the first week: Finalisation of the root cause analysis and corrective actions carried out.

Within the first month: Effectiveness of the corrective action proven and updated documentation if required.

If the resolution time exceeds 30 days, the supplier must reach an agreement with FME's SQA. In addition to correcting the problem in question, suppliers will apply the lessons learnt to all similar products or processes in each case.

It is essential for suppliers to begin responding as soon as possible. It is also fundamental to take the necessary actions to contain the problem and thus avoid greater problems or potential risks with regard to the quality of parts.

#### 4.7 Continuous improvement

Suppliers are expected to use the lessons learnt in each incident to improve the product's production process and/or design. The aim is to eliminate the possibility of similar incidents occurring, not just with procedure and manufacturing process adjustments but also eliminating the environment in which the problem occurred. Long-lasting improvement requires correcting systems and strategies that support the production process.



In addition to isolated events, suppliers will use statistical data to evaluate and continuously improve their processes. This evaluation must include the analysis of quality, scrappage, downtime and guarantee failures. The goal of this analysis should be a reduction of process variations in the finished product. The supplier must have active continuous improvement projects.

## **5. CONFIDENTIALITY AND DATA PROTECTION**

It is forbidden to send or transmit confidential information from FME to third parties, either on material support or via any communication media, without express authorisation.

Confidential information includes but is not limited to any personal data information, and FME's internal documentation and procedures.

Suppliers must maintain, for an indefinite time, the maximum confidentiality and not divulge or use, either directly or through third parties or companies, or even within the company with unauthorised personnel, any information accessed during their work/professional relationship with FME, stored on any support. This obligation will remain in force even after the termination of the labour/mercantile contract or the end of the labour/commercial relationship.