SUPPLIER CHANGE MANAGEMENT

Policy & Procedure – Hyva BU Components

This document provide detail guidelines to supplier from Initiation to Approval for any kind of change related to Product/Process

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Contents

Procedure no:	Base Procedure of Hyva Group B.V.	Proces owner
HYG-PR-12-008AA	Supplier Change Management Policy	BU Components Global Supplier Quality
Revision Date : 27.09.2023		

VISION

- To ensure that standardized methods and procedures are used to enable beneficial changes, while ensuring efficient and prompt handling of all changes initiated by Supplier
- To minimize the disruption of changes, reduce back-out activities, and ensure clear communication across Supplier and Hyva
- Establish a standard process of supplier change management across all regions globally.

MISSION

- To assure system for product/process change which includes availability of risk management & recovery actions before the change
- To assure existence of control mechanism for change items which includes feasibility approval, Ramp up planning & Quality confirmation before & after change
- To assure availability of approval system (PPAP) for product/process change

VALUE

- Employ robust supplier change management mechanism.
- Specific responsible functions and approval stages are defined for each crucial step
- Capturing required key steps related to supplier change management
- Focus on change management cultural benefits resulting organizational benefits

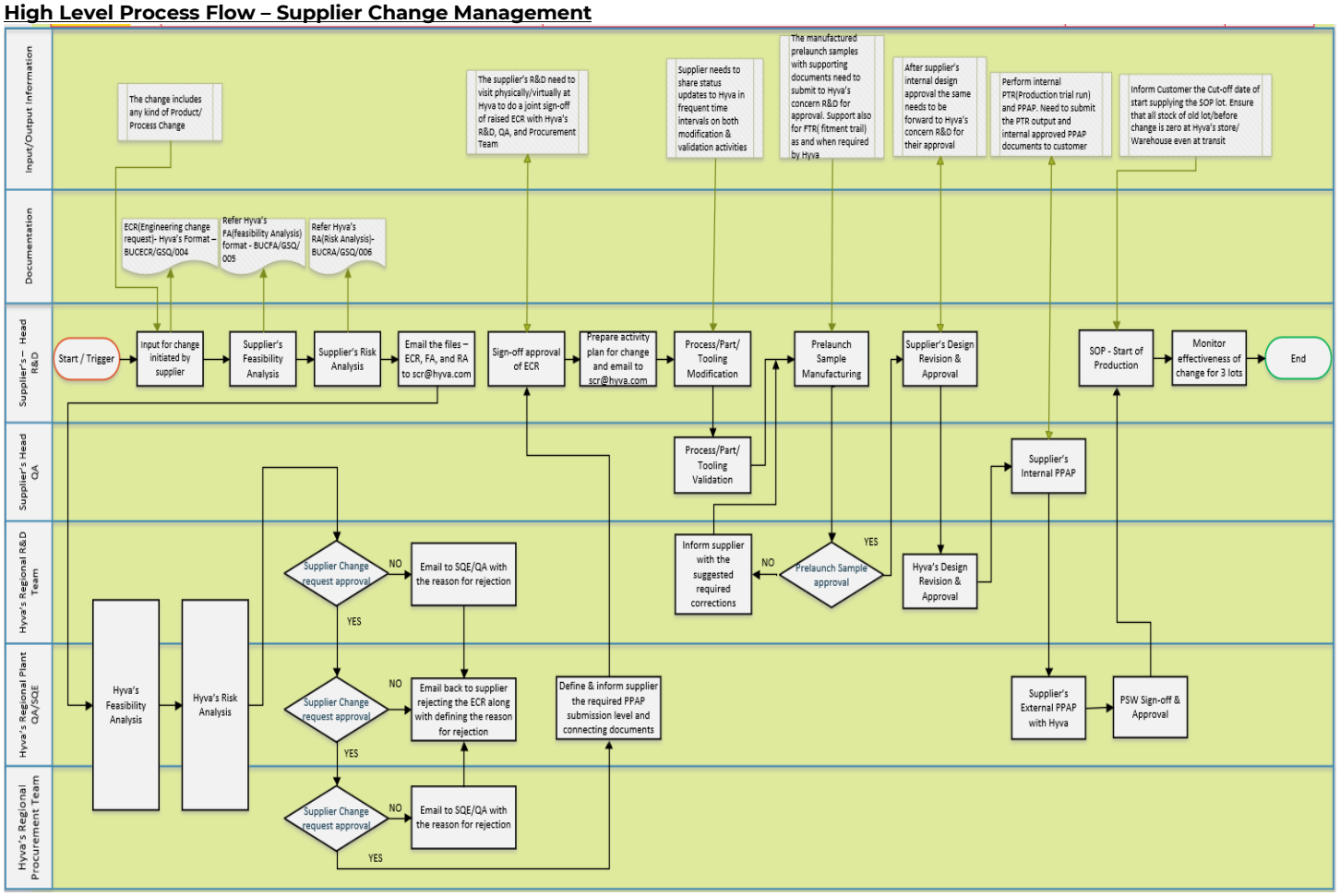
SCOPE

- It is applicable for all kind of product/process changes initiated by supplier supplying raw materials/parts to Hyva's BU Components. However, in future if other BUs' (Recycling & Cranes) found interest then can be extended.
- This document applies to all changes initiated by the suppliers in existing/regular production/customer approved Products & Processes

CONNECTED DOCUMENTS

- ECR - Engineering Change Request-SCM Template.xlsx
- FA - Feasibility Analysis - SCM Template.xlsx
- RA - Risk Analysis - SCM Template.xlsx
- PPAP
- Supplier Change Management Progress Tracking list
- Activity plan chart

High Level Process Flow – Supplier Change Management



Introduction

Defining guidelines for supplier from Initiation to Approval for any kind of change related to Product/Process initited by the supplier

DEFINITION OF TERMS

ECR: Engineering Change Request
FA: Feasibility Analysis
RA: Risk Analysis
VA/VE: Value Analysis/Value Engineering
PPAP: Production Part Approval Process
SQE: Supplier Quality Engineer
PPAP: Production Part Approval Process

DEFINE TEAM

Activity	Hyva's Regional Plant QA/SQE	Hyva's Regional Procurement Team	Hyva's Regional R&D Team	Supplier's R&D Head	Supplier's Head QA	Hyva's Regional QA Head	Hyva's Regional Procurement Head	Hyva's Regional SCM Head
Informing/Emailing about the initiation of change to Hyva	I	I	I	R&A	I			
Submission of filled ECR, FA, and RA to Hyva	I	I	I	R&A	I			
Feasibility & Risk analysis of supplier's ECR	R&A	R	R					
Physical approval of ECR	R	R	R	R&A	I	I	I	I
Prepare activity plan for change	I	I	I	R&A	I			I
Process/Part/Tooling Modification	C&I	I	I	R&A	I			
Process/Part/Tooling Validation	C&I	I	I	A	R			
Pre-Launch sample manufacturing & submission	I	I	I	R&A	R			
Pre-Launch sample approval	R&A	R	R	I	I			I
Supplier's design revision & approval	I	I	I	R&A				
Hyva's design revision & approval	I	I	I	R&A				
Supplier's internal PPAP	I	I	I	A	R			
Supplier's external PPAP with Hyva	R			A	R			
PSW Approval	R	I	I	A	R	C		I
Inform Customer the Cut-off date of start supplying the SOP lot. Ensure that all stock of old lot/before change is zero at Hyva's store/Warehouse even at transit	I	I	I	R&A	I			I
Monitor effectiveness of change	I	I	I	R&A	I			I

R: Responsible - A: Accountable - C:Consulted - I:Informed

Note : All above functions/teams belongs to BU Components

PROCEDURE

1. Initiating the Change (New Request for a change)

1.1 Changes are classified as **Product** and **Process**
1.2 Product Changes include – change in product dimension, change in design, change in VA/VE, and change in raw material
1.3 Process Changes include – change in man/material/method, change in plant location/layout, change in sub-supplier, change in inspection & test method, new/modified tooling, new technology, change in machine, change of sub-supplier parts, and change in special process parameters
1.4 While initiating a change the supplier should fill, sign-off, and email the copy of **ECR**, **FA**, and **RA** to Hyva at scr@hyva.com
1.5 The supplier needs to define the change request along with other details in the ECR.
1.6 The documents ECR, FA, and RA referring format numbers are available at the above high-level process flow chart. Kindly ensure to use those **specific formats** only.

Note: - Every regional suppliers need to do all kind of email communications related to initiated changes at Hyva specific regional email IDs' where concern key cross functional team members are available:
For India - gn.scr.india@hyva.com
For China - gn.scr.china@hyva.com
For Brazil - gn.scr.brazil@hyva.com
For EMEA - gn.scr.emea@hyva.com

2. Analysis and Initial Approval Phase

2.1 During the creation of the new change request, the Supplier's change coordinator need to collect additional information to help further in defining the change parameters
2.2 The Feasibility analysis and the change impact/risk analysis needs to be done by the supplier before going for first request submission to Hyva
2.3 The supplier needs to submit their internal signed-off copies of ECR, FA, and RA to Hyva's concern person from key departments (R&D/SQE/Plant Quality Manager/Purchase Buyer) globally across all regions of Hyva wherever the part is getting shipped, to have the **initial go-ahead phase approval**
2.4 After availability of required mentioned documents form supplier, Hyva's internal key department's responsible concern individuals need to do their internal feasibility & risk analysis on supplier's change request to provide the initial go-ahead approval
2.5 In R&D's feasibility analysis, it needs to be ensured that the supplier's suggested change is communicated to End Customer and have **customer's** feasibility approval
2.6 In case, Hyva after doing their internal analysis on the received ECR founds not ok, then Hyva need to reject the request and communicate immediately the same to supplier adding the reason for rejection
2.7 In case, Hyva's concern stakeholders after doing their internal analysis on the received ECR require some additional information, then Hyva need to communicate the same to supplier, and way forward supplier need to forward those required information to Hyva for having the initial approval
2.8 The supplier's change coordinator needs to have the initial approval sign-off from Hyva's responsible stakeholders (SQE/R&D/Procurement) by having a physical visit to Hyva. However, Physical visit deviation would be acceptable because of availability of genuine problem on case to cases basis

3. Process/Part/Tooling Modification & Validation and Design Approval Phase

3.1 The supplier should develop and submit a detail activity plan chart to Hyva including each key activities (starting from Initiation of Process/Part/Tooling modification to start of productions)

3.2 The supplier needs to manufacture and submit the prelaunch samples to Hyva after completion of supplier's inhouse process/part/tooling modifications and validations
3.3 Hyva's R&D should perform all kind of required tests/validations on the received prelaunch samples before approving the same
3.4 After having Hyva's **official approval** on submitted prelaunch samples then only supplier should move forward for design Revision & approval
3.5 In case of disapproval, Hyva needs to communicate to supplier the feedbacks related to disapproval. The supplier needs to work on the received feedbacks and re-submit the prelaunch samples for re-approval
3.6 First, supplier should revise & approve their design internally and then need to submit Hyva (Customer Approval)
3.7 Hyva's R&D after approving the supplier's design needs to forward the Hyva's approved design to supplier and Hyva's internal key stakeholders

4. Final Approval Phase and Start of Production

4.1 After having Hyva's approved design, the supplier should perform their **internal PPAP**
4.2 The supplier needs to submit their internal approve PPAP documents to Hyva's concern person (SQE/Plant Quality Manager) to have the external customer (Hyva) PPAP
4.3 After receiving the PPAP documents Hyva's concern person (SQE/Plant Quality Manager) should plan & communicate the plan to supplier and perform PPAP at supplier end
4.4 After performing the PPAP, **PSW sign-off** need to be done & provided to internal and external concern stakeholders
4.5 In case the PPAP is not approved by Hyva, then the same needs to communicate with supplier along with the feedback to have the way forward approval. Suppliers need to close all open points as highlighted by Hyva to have the final PSW approval. After that, Hyva needs to **verify** the closure action against each open point and do the way forward **PSW sign-off approval**
4.6 Supplier after having the final phase approval should communicate to Hyva the **Cut-off date** of start supplying the **SOP** lot. Suppliers need to ensure that all stock of old lot/before change is **zero** at Hyva's store, warehouse even at transit

5. Monitor Change in Production Environment

5.1 In order to determine whether the deployed change has been **effective**, it is necessary to monitor the changes in the **production environment**
5.2 After implementation of the change, the supplier's change coordinator needs to monitor the assemblies/performance of the parts happening both at Hyva and at Hyva's Customer end.
5.3 The monitoring needs to be done for the **first three consecutive lots** (after change/ Cut-off date) which are shipped to Hyva
5.4 During the monitoring phase, if any kind of way forward support/information related to the change is requested by Hyva, then supplier actively needs to aid on the same.
5.5 However, after shipping & monitoring of first three consecutive lots, if, later in future any kind of problem rise at field/end customer end/Hyva's end because of the implemented change then also the supplier should provide **100% active support** to Hyva in having the way forward solution / corrective action

Note: - If the supplier is changing the manufacturing location from one place to another then SMSA(I) needs to be followed

DELIVERABLES

1.1 Focussed Control on Supplier's initiated changes

1.2 Quality Assurance & Quality Control on requested changes from Initiation to Implementation

1.3 Preventive Actions to avoid potential failures & its effects becasue of Supplier's initiated changes

KPI

1.1 No of problems reported at Customer end / Hyva End connected to the specific change(refer the change description in the ECR file) after implementation of the change

DEVIATION AGAINST ABOVE MENTIONED PROCESSES

1.1 Any kind of deviation in any of the above mentioned process flow and procedure needs an approval from Global Quality Team
1.2 Global Quality Team member need to discuss with Global Quality Director before furnishing the final approval

DOCUMENTS ARCHIVING

1.1 Each responsible SQE/Plant Quality Manger need to register & update each unique ECR and upload all connected documents(ECR sign-off copy, PSW sign-off copy, PPAP, FA, RA, etc) at sharepoint Supplier change management progress tracking list, location link - Quality - Supplier Change Management Progress Tracking List - All Items (sharepoint.com)

Revision History document:

Version	Date	Description of changes	Updated by
AA	27-09-2023	Initial document	Debjit Chatterjee

Version	Date	Approval by Process Owner	Title
AA	27-09-2023	Davide Zanotti	Global Quality Director