

10-1-15 Supplier Requirements Manual

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Prepared by: Supplier Quality Engineer

Approved by: Quality Department Manager

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1. INTRODUCTION

Axioma Metering places high importance on the quality of its products. For Axioma Metering to reach the target quality and other product-related goals it is equally important to have target – oriented and partnership - based relationships with its Suppliers.

Axioma Metering expects a zero-defect philosophy and an excellent technological support from the Suppliers. Further an excellent performance regarding delivery, problem solving, communication and overall cooperation and can-do attitude.

The supplier requirements manual is a document that describes Axioma Metering expectations regarding quality, logistics, mandatory processes, sustainability, documented information and other formalities that must be followed to agree on a partnership with Axioma Metering.

2. GENERAL REQUIREMENTS

2.1 Supplier approval process

A new Supplier undergoes an approval process which consists of the following steps:

2.1.1 Supplier Self-Assessment

Supplier Self-Assessment requires the completion of an online Supplier Self-Assessment Questionnaire, a link to the questionnaire will be provided by procurement manager. Following submission process, Axioma reviews information provided by the Supplier to determine the possibility of further collaboration according to Axioma internal guidelines. Suppliers must provide valid certificates for ISO 9001 (quality management system) and ISO 14001 (environmental management system).

2.1.2 Supplier Site-Assessment

Following Supplier’s Self-Assessment results and Axioma Metering’s internal review, Axioma Metering might decide to conduct Supplier Site-Assessment. Site-Assessment can be conducted remotely or at the supplier’s manufacturing site. Site-Assessment includes review of Supplier’s manufacturing process, technology and quality system. Axioma Metering

assures that Supplier will be informed about the required visit and will receive visit agenda at least one week before the planned visit date. The aim of Supplier Site-Assessment is to ascertain that Supplier is capable of meeting Axioma Metering's requirements.

The Supplier Self-Assessment or Site-Assessment may be repeated during the partnership if there are any significant changes, which may affect the supplier's ability to meet the requirements of Axioma.

2.2 Part approval process

Suppliers might be required to send to Axioma Metering the requested amount of sample parts for part approval process performed by Axioma Metering's R&D Department. Supplier is expected to provide quality check report with the shipment of sample parts or electronically. During the approval process sample parts undergo internal testing, dimensional and visual evaluation in compliance with Axioma Metering requirements. At the end of the approval procedure sample parts are approved or not approved with the documented information. Following this procedure, Supplier is informed about the approval status and further steps by Axioma Supplier Quality Engineer. Axioma Metering will decide the level of submission for PPAP process according to its internal criteria and the requirements needed for each product independently.

2.2.1 The required documentation/steps for PPAP process:

- Design Documentation
- Process capability index (CPK)
- Process Failure Mode and Effects Analysis (PFMEA)
- Control Plan
- Measurement System Analysis (MSA) (when requested)
- Dimensional Results (when requested)
- Statistical Process Control (SPC)
- Qualified Laboratory Documentation (when requested)
- Appearance Approval Report (when requested)
- Sample Production Parts
- Master Sample

3. QUALITY REQUIREMENTS

3.1 Management systems

Supplier must have an effective Quality Management System (QMS) in its company. The minimum requirement for supplier is a certificate based on the respectively valid version of ISO 9001 standard. Additionally, Axioma Metering requests a valid version of ISO 14001 (Environmental Management system) and ISO 45001 (Occupational Health and Safety Management System) certificates or at least planned date of implementation of such systems. Certificates for all the standards mentioned above must be issued by accredited certification bodies.

Supplier must inform Axioma Metering at least 2 months before the expiration date of a certificate in case re-certification is not planned. The supplier is responsible for providing the newest version of certificates to Axioma Metering. New certificates must be sent to Axioma Supplier Quality Engineer without prior request.

3.2 Quality of delivered products

The products must be free of any defects and must comply with the specifications and requirements agreed with Axioma Metering after the final part approval.

3.2.1 Escalation of product related non-conformance

In case of quality problems or brockage of further shipments, the supplier must immediately inform Axioma Metering in a written form before processing delivery of the products.

Supplier shall create a deviation approval request in which proof of dimensional, visual or functional deviations is presented and explained. In addition, the supplier shall provide a plan of corrective/preventive actions. Deviation approval request must be approved by Axioma Supplier Quality Engineer via e-mail. Shipment of affected products is not allowed without Axioma Metering's written approval.

3.2.2 Non-conforming products management

Suppliers must have documented process for management of non-conforming output. This process should cover containment of defective products right after detection, determination of the problem, management of corrective/preventive actions and notifying customer. The supplier shall inform Axioma Metering about detected product deviations that might impact delivery terms or quality immediately. in short or long run or in case of suspicion that incorrect/defective products were already delivered or on transit.

3.2.3 Complaints procedure

Claim form is used to inform Suppliers about non-conforming deliveries by providing visual, dimensional or test results as evidence of identified issue. Claim form is issued by Axioma Supplier Quality Engineer. The supplier reserves the right to reject the claim after providing an explanation proving the product's compliance with the agreed requirements.

Within 24 hours of notification of complaint, supplier must inform Axioma Metering about its decision to accept or reject the presented claim. If a claim is accepted, the supplier must inform Axioma Metering about immediate containment actions and its decision whether to sort, scrap, rework, collect defective materials. Decision must be based on mutual agreement prior processing. Supplier shall immediately initiate decision-based actions at his own expense. In case rework is agreed to be performed by Axioma Metering, supplier shall cover all additional expenses that might occur, including price of working hours that have been spent on rework.

Axioma Metering reserves the right to request a response to the presented claim by filling in 8D, 4D or SCAR forms. Axioma Metering will determine which form is applicable for each claim individually. The supplier shall present their analysis within 10 working days.

After sending 8D, 4D or SCAR form, supplier must ensure that planned corrective/preventive actions will be implemented on time as planned. Supplier is expected to send to Axioma Metering proof (updated documents, pictures or videos) presenting implemented corrective/preventive actions.

3.3 Change management

The supplier shall inform Axioma Metering of any significant changes related to product or production process modification at least six months prior to implementation.

4. PURCHASING REQUIREMENTS

4.1 Purchasing Process

The purchasing documents issued by Axioma Metering represent the current requirements to the supplier. The purchasing order must be approved or rejected within two business days. If the supplier does not reject the purchasing documents within this time frame the order shall be deemed as approved.

Unless there is a specific agreement between Axioma Metering and the supplier, the dates and quantities stated in the purchasing order are binding and can be amended only with the formal approval from Axioma Metering. The delivery date stated in the purchasing order is always expected to be the date of delivery to the Axioma Metering plant and not of shipment. Any additional costs related to delivery problems caused by the supplier (e.g. premium freight) will be charged to the supplier and Axioma Metering expects full compensation.

4.1.1 Allocation of resources

Supplier shall keep the resources in such a way to ensure a secure supply of products to Axioma Metering. The supplier, if agreed between both parties, must keep an additional stock exceeding the quantity to be delivered. The supplier shall inform Axioma Metering in a written form if there are any changes related to resources six months in advance.

4.1.2 Emergency (contingency) planning

The supplier is required to have an emergency (contingency) plan for any disturbances that may affect its logistics or production processes to ensure continuous supply of products to Axioma Metering. The emergency (contingency) plan must cover all possible risks such as: non-conformities, tool/machinery breakage, IT problems, damage or delays during shipment, supply chain disruptions, natural hazards, etc. Supplier must implement emergency procedures to continue supply to Axioma Metering during these disturbances. Supplier is required to inform Axioma Metering about issues or events that are affecting logistics and/or production processes immediately and ensure the continuous supply of products to Axioma Metering on approved delivery date.

4.1.3 Invoicing

All the invoices issued to Axioma Metering must be sent to buhalterija@axioma.eu. The quantity and price of products must be the same as agreed during purchase confirmation. If there are any deviations or additional costs originally not included in the order confirmation the supplier must inform Axioma Metering prior to sending the invoice.

4.2 Substances

The supplier must provide the following documents to all the chemical substances supplied to Axioma Metering.

Document name	Requirement	Mandatory/Optional
Safety Datasheet in Lithuanian Language	Classification, Labeling, and Packaging (CLP) Regulation	Mandatory
Chemical labeling in Lithuanian language	Classification, Labeling, and Packaging (CLP) Regulation	Mandatory
Declaration of compliance with REACH	Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH) (substances)	Mandatory
Declaration of compliance with RoHS	The Restriction of Hazardous Substances (RoHS) regulation (electronics)	Mandatory
Declaration of compliance with PFAS regulations	Per- and polyfluoroalkyl substances	Optional until official implementation

4.3 Storage and Transport

4.3.1 Storage

All Axioma Metering products must be stored in a closed warehouse according to following guidelines:

- Products must be stored in such a way to prevent moisture, dust, heat or cold sources (unless it is necessary for the stored material) and solar irradiation.
- Warehouse temperature must be set, kept and monitored periodically according to the SDS (Safety Data Sheet) and TDS (Technical Data Sheet) of the stored materials.
- Products must be identified, stored in a dedicated location and protected against mix-ups.
- Products should be stored and tracked to fulfill the FIFO principle.

4.3.2 Delivery Terms

Axioma Metering and the Supplier shall agree on terms of delivery in accordance with Incoterms (latest edition) to avoid misunderstandings and disagreements (e.g. in the event of damage). Any costs related to the Supplier’s failure to comply with shipment agreements shall be covered by the Supplier.

4.3.3 Packaging specification

To ensure safe handling (in accordance with accident prevention and other regulations) and smooth operations, the Supplier shall ensure that all products are packed and shipped in accordance with the requirements stated below.

Topic	Description of requirements
Packaging on the pallets	<p>Axioma Metering products can be packed on the following types of pallets:</p> <ul style="list-style-type: none"> - Normal pallet – Euro (1200x800 mm) - Industrial pallet – Finnish (1200x1000mm) - Industrial pallet – Half (800x600mm) <ul style="list-style-type: none"> - Pallet height with items on it cannot exceed 1700 mm - Items on pallet can go beyond pallet perimeter no further than 30mm in length and width. - Pallet must have a four-way entry. - All goods must be firmly and properly secured to the pallet base by shrink-wrap, fiber or steel banding, chains, or any other appropriate means. - Pallets should be fabricated from wood. - The Pallet can have no missing boards or chocks. Nails cannot stick out from wood.
Labeling	<p>Shipping units must be marked with following information:</p> <ul style="list-style-type: none"> - Manufacturer’s name - Manufacturer product name and/or product code - Product lot - Axioma Metering internal product code - Net weight and unit - Gross weight and unit. <p>- Supplier must ensure that hazardous symbols (pictograms) and other legally required hazardous warning information are clearly visible on the packaging.</p>
Documents	<p>Supplier must ensure that Axioma Metering receives the following documents with the shipment:</p> <ul style="list-style-type: none"> - Delivery note - Invoice - Customs declaration - Certificate of analysis (CoA) for each lot (when requested)

	- Declaration of conformity for the packaging of raw materials, substantiating that the packaging you have placed on the market is recyclable and complies with the requirements of the standards EN 13430 or EN 13432 applicable in the European Union. (when requested)
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5. SUSTAINABILITY

5.1 Environmental requirements

All Suppliers are expected to work in a way to lower their business environmental impact. Supplier must follow all applicable legal environmental requirements as well as other requirements concerning environmental protection. Additionally, supplier is expected to implement specific actions to:

- Improve efficient energy use by implementing renewable energy solutions.
- Reduce hazardous materials and waste as well as develop a sustainable use of materials, energy and water.
- Reduce emissions into the air, water and soil.

The supplier might be requested to inform Axioma Metering about the Carbon Footprint of the supplied products.

The supplier might be requested to fill out the conflict minerals (gold, tin, tungsten and tantalum extracted from Democratic Republic of the Congo or adjoining countries) reporting template published by RMI or other types of documents facilitating data collection in order to identify traceability of minerals used in the supply chain.

5.2 Social and Human Rights

The Supplier must guarantee that its company follows all legal human rights requirements, considering international, national, federal, regional, local, and other laws. In addition, Supplier shall provide a safe and healthy workplace for its employees according to ISO 45001 standard.

VERSION HISTORY

Version No.	Date	Description	Reason of release	Prepared by (name, surname, position)
1.	2025-05-20	New document released	New document	Rimgaile Klimauskaite, supplier quality engineer