

SUPPLIERS LOGISTICS MANUAL  
**GRUPO SESÉ**



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**Review 00  
20-02-17**



# SUPPLIERS LOGISTICS MANUAL

## LIST OF REVIEWS

Rev.	Date	Modifications
00	20-02-17	Original issuance.

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00	20-02-17	Original issuance.

This document, which is part of the contract, will be delivered via email at the start of the contractual relationship. From that moment on it will only be provided to the supplier electronically, in its most recent version, at the company website of Grupo Sesé, at the following web address [www.gruposese.com](http://www.gruposese.com).

In the event of any difference, the Spanish version is the contractually binding version.

This review cancels out any another previous version that may have been distributed. If you have any copies, please destroy them. Please contact Grupo Sesé if you require any addition clarification.

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Zaragoza, 20 February  
2017, GRUPO SESÉ



# SUPPLIERS LOGISTICS MANUAL

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## 0.OUTLINE

The issuance of this manual is aimed at establishing a trusting relationship with the supplier and thus guaranteeing the establishment of guidelines aimed at quality assurance and ongoing performance improvement.

This manual describes the minimum expected requirements and it applies to all the direct production Suppliers and production Sub-suppliers that do business with Grupo Sesé.

This manual does not alter or replace any other contractual requirement covered by the purchase documents or the requirements of technical drawings or specifications.

None of what is outlined in this manual can be interpreted as a waiver for the Supplier from any of their obligations in relation to Grupo Sesé.



## 1.- Corporate Social Responsibility of Suppliers

Grupo Sesé is a signatory of the **United Nations Global Compact** on both the European and Spanish networks. As a member of that Pact it promotes compliance with the 10 principles in all of its groups of interest and expects its suppliers to undertake to respect those principles and to take them into account in all the spheres of their business activity.

Thus, by signing this manual the Supplier undertakes to respect said principles:

1. *Support and respect the protection of fundamental human rights within their scope of influence. Establish mechanisms that ensure that the company is not complicit in the violation of said Human Rights.*
2. *Recognise and respect workers' rights of freedom of association, organisation and collective negotiation in compliance with the legislation of the country they work in and basic agreements.*
3. *Eliminate all forms of forced or compulsory labour from their activities, with a focus on protecting childhood and the most disadvantaged groups.*
4. *Have clear policies and guidelines regarding the prohibition of child labour that it openly communicates, and carry out periodic controls in order to guarantee the non-use of a child workforce.*
5. *Do not discriminate in relation to sex, ethnicity, language, religion, nationality, affiliation or any other condition and support equality and the fundamental freedoms of individuals. Do not discriminate in any way, and similarly, reject discrimination in contracting and employment practices, as well as when in relation to accessing training, promotion and incentives. Promote the talent of employees through Education and Training in their work roles.*
6. *Adopt a preventive approach that contributes to the environment, and aim to attain sustainable business through the use of environmentally friendly technologies. Aim for economic prosperity without losing sight of social justice and environmental protection.*
7. *Assess the social, ethical, labour and environmental impacts of products, services, and commercial operations and take appropriate measures in compliance with the legislation of the country of operations, while encouraging the development and dissemination of environmentally friendly technologies.*
8. *Encourage initiatives for Safety, Protection and the Prevention of Occupational Risks. The consumption of or being under the influence of drugs, narcotics and/or alcohol is prohibited during work hours.*
9. *Respect and comply with standard of moral and ethical conduct and abstain from any form of corrupt practices, including extortion, fraud, and bribery. Advocate transparency in business practices and prevent all forms of corruption.*
10. *Require the company's own suppliers to comply with social, labour, environmental and ethical standards, and verify that suppliers and subcontractors have specific policies aligned with these principles.*



## 2. MATERIALS AND LOGISTICS

As backing for effective and clean business processes, suppliers must support the electronic exchange of data through the EDI standard or EDI Web standards. The standards of acceptable messages include VDA, ANSI and EDIFACT.

### 2.1 GENERAL REQUIREMENTS IN RELATION TO LOGISTICS PROCESSES

The suppliers should design and administer their logistics processes in order to guarantee quality and delivery on time of the amounts indicated at the location and in the times specified by PAM.

In collaboration with our suppliers, PAM will work to develop logistics planning that guarantees:

- Minimum complexity in business logistics processes
- Maximum flexibility in order to support a response to last minute changes in the volume or time of deliveries
- Minimum inventories in the supply chain
- Packaging design that supports all the handling and load requirements
- Just-in-time delivery that complies with the established delivery times
- On time communication of all the potential supply interruptions

The suppliers must be prepared to provide delivery costs according to:

1. FCA (Free carrier)
2. DDP (Delivered Duty Paid)
3. Another (as indicated by PAM).

According to the information provided, PAM will determine the Incoterms that will be used.

### 2.2 PACKAGING

All packages are subject to the standards of work safety and environmental protection.

Suppliers are requested to follow the Packaging Guidelines as defined in the packaging guidelines. PAM Dispatch. As well as all the AIAG/VDA standards and necessary world REACH requirements. PAM can request special packaging and labelling requirements, in support of the specific activity of the Product Launch. In the event that special packaging is needed, the design and approval will be managed as a part of our Delivery Process.

In the preparation of the product launch, the approval of packaging for production, as well as also the approval of support packaging needs to be obtained from the plants before a linear operational capacity.

In order to guarantee that planned packaging optimises the volumetric use of the transport vehicle, the assembly practices and the clean plant operations, the suppliers are responsible for validating the packaging design in relation to these requirements unless PAM indicates otherwise. A unit-load, without it mattering whether the packaging is returnable or disposable, should be stackable with total dimensions that allow the optimum volumetric use of the transport vehicle. The packaging that will be used in order to support the service requirements also requires the approval of PAM. PAM encourages suppliers to begin ideas for improving design and cost, however, the approval of PAM should be implemented before any packaging changes.



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It is necessary to submit a completed packaging form from the supplier at the PAM plant for the approval of all new packaging or the changes proposed for existing packaging. Approval needs to be given before the first production dispatch. This first dispatch should be expressly identified.

All suppliers that supply products to PAM, that are considered controlled materials, must comply with the proper legislative regulations for labelling, packaging and dispatch, including the MSDS documentation (Material Safety Data Sheet). The materials that require MSDS will not be sent without prior approval.

All of the solid wood packages/pallets and boxes must comply with ISPM standard #15 of the International Plant Protection Convention.

The suppliers are responsible for removing expired labels and waste from the containers before packaging new material. The suppliers are responsible for guaranteeing that all the containers are clean and that all the functioning doors or hinges are operational and safe.

It is totally forbidden to use specific packaging that is owned by PAM for internal processes of the supplier and safety stocks, as well as for other projects that have not been awarded.

Packaging must be kept out of adverse weather conditions, or any other situation that may affect product quality.

It is not possible to send mixed ref. in the same container/pallet or for there to several labels on the same Maintenance Unit.

On a fortnightly basis, it will be necessary to send PAM's logistics contacts an amount and balance of the containers, including those that are damaged, if this file is not received regularly, the loss or mislaying of them will be charged to the supplier

## 2.3.- LABELLING

The supplier will be responsible for the clear identification of products during all the production and delivery phases, and should guarantee suitable labelling before dispatch.

All the materials for prototype or production consumption, sent to the PAM plants, should be identified with labelling that contains both text/graphics that are readable for humans and bar codes that are readable for machines.

All the labels should be readable and capable of being scanned, in compliance with AIAF or VDA standards or the standards designated by the plant(s).

The characters and symbols must comply with the requirements of the standard.

The dispatch labels for parts (container, main, and mixed load), must comply with the design formats of Standard VDA 4902. The specific content of the Client can be specified by the PAM plant

The location, direction, quality and amounts of labels must follow the guidelines.

Label Implementation Guide of Standard VDA 4902, unless the specific requirements of the plant specify otherwise. The codes of Standard VDA 4902.

The pieces that are inside the contains must always match the ref. indicated on the ODETTE label. In the event of a discrepancy the supplier must take responsibility of the charges resulting from:

- Management
- Replacement of pieces
- Special transport

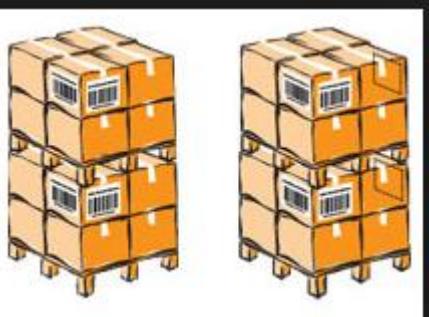


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-Any other resulting charge for the replacement of material in the required time frame

Pallets will be identified with 2 Standard VDA 4902 labels, always 2 labels in an L-Shape.

## Labelling OK



## Labelling NOK



## 2.4 PLANNING AND FORECASTING OF MATERIALS

The nature of the production and assembly processes at our plants varies widely. Each plant has unique material planning requirements, in accordance with the complexity of the production process, as well as the location and distribution of the supply base. The logistics and schedules are specific to the plant and the Supplier must contact the Purchases and Materials Groups at the contracting plants about details.

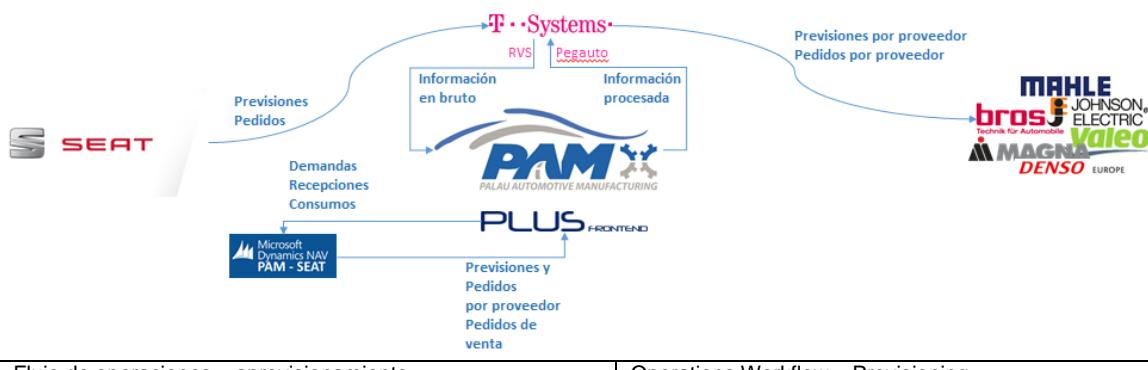
The supplier is responsible for immediately contacting the responsible plant in the event that they are not able to comply with all the requirements for the delivery date, time, quantity and quality or if the supplier has not received a weekly or programmed production launch. PAM is only responsible for production launches identified as firm or blocked. Similarly, PAM is only responsible for the launches of raw material or components identified as firm or blocked. The planned volumes are solely for planning purposes.

The suppliers must respond to all Material Launches received on PAM in order to guarantee that their own supply of components and materials can support the demands of the PAM plant. During critical stages, such as an Increase in Products or the Launch of Products, the suppliers must comply with all the necessary launch demands in order to support the filling and launch of the system.

Suppliers will be informed of material forecasting information through their programmed launches in a regular manner each week. The first 2 weeks of the supply plan will be programmed firmly, the other information will only be information for the internal management of the supplier.

The Process is attached.

## Flujo de operaciones - aprovisionamiento



Flujo de operaciones – aprovisionamiento	Operations Workflow – Provisioning
Previsiones – Pedidos	Forecasts – Orders
Demandas – Recpciones – Consumos	Requests – Receipts – Consumptions
Previsiones y pedidos por proveedor – Pedidos de venta	Forecasts and orders by supplier – Sales orders
Información en bruto	Raw Information
Información procesada	Processed Information
Previsiones por proveedor	Forecasts by supplier
Pedidos por proveedor	Orders by supplier

Although this information is an indication of the requirements of future materials, it is only for the supplier's planning purposes and does not constitute a binding launch authorisation by PAM.

Likewise, the generation of obsolete products resulting from product changes by the client will not be borne by PAM.

Suppliers need to maintain a sufficient safety stock and an inventory, which should be reported in the last week of the month, of finished products in order to enable 100% of deliveries on time. Short dispatches need to be reported immediately, along with corrective action and a recovery plan.

This safety stock should be reviewed in accordance with the weekly demand and should respect FIFO and product modifications.

In the event of incompliance with the minimum safety stock level, the supplier will be sent an invoice for the additional costs caused by these incidents, both at the PAM assembly plant, as well as with the end client, including urgent transport and line stoppages.

### 2.5 TRANSPORT, TIMETABLES AND ROUTES

It is important that our suppliers keep abreast of the transport and delivery requirements, as this is one of the key performance measures that they will be assessed on. PAM supports the industry initiative in relation to the reduction of the inventory, while however recognising the importance that it has on the precise and timely delivery of the quality product, and simultaneously guaranteeing the absence of interruptions in client production. We expect suppliers to deliver 100% on time at our locations, in compliance with the timetables.

In an effort to support delivery, we expect our suppliers to make a constant effort to reduce production time with their suppliers, to improve flexibility and to minimise transition times. If necessary in order to



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support timetables, it is possible to request the supplier to allow local storage. All the requirements of appropriate timetables, routes and delivery will be reported. Both organisations must sign and reach agreements in relation to all the transport arrangements and requirements.

Suppliers can receive route information including the transport method, time windows for collection and delivery as outlined by the PAM plant or plants that they work with. Their contracting plant or plants must ensure that all the transport details and routes are clearly specified. The suppliers must question any ambiguous or confusing instructions. Non-authorised deviations of these route instructions may result in the supplier being charged for any excessive fleet expense incurred, including the resulting administrative costs.

All of the costs incurred as a result of mislaid or late dispatches, or the underuse or surpassing of the arranged loads, that are the supplier's responsibility, will be invoiced and charged to the supplier. All the materials that enter from a foreign country must have the "Country of Origin" clearly on the pro forma invoice, as well as on the original Commercial Invoice.

The suppliers must provide a Safety Questionnaire that is updated annually. Incompliance by not completing or publishing the questionnaire may affect the supplier's rating and it may have a potential impact on future business opportunities.

The collection of goods will be reported in the standard PAM format, which has been sent to their logistic contacts, and which is attached to this manual. It is of crucial importance that all of the data is collected correctly in the different fields, as is timely and correct dispatch.

Supplier notification		Notification date:	Carrier:		Notification										
Supplier number:		26/01/2017	TRANS SESE, S.L.	Plataforma Logistica de Zaragoza C/ Turiaso,31 50197 Zaragoza (Spain)	Address of the supplier collection:  <b>PALAU AUTOMOTIVE MANUFACTURING</b> P.I. RIERA DE CALDES C/AIGUADERS 10-16 08184 PALAU I SOLITA DE PLEGAMNS - BARCELONA SPAIN										
DUNS no.:	449021146	Loading date:													
Supplier address:	KIRCHHOFF Automotive Faria de Cima - Cucujães 3720 - 785 Cucujães OAZ	30/01/2017	Coordinated loading time:												
		17:00 - 19:00	Contact:	Jose Fernandez; Emilio Auzmendi											
Contact:	Vitor Oliveira / Sergio Silva / Ricardo Gomes	Phone:													
Phone:	+351256888107 / 139	Fax:													
E-Mail:	vitor.oliveira@kirchhoff-automotive.com; sergio.silva@kirchhoff-automotive.com; ricardo.gomes@kirchhoff-automotive.com	E-mail:	Jose Fernandez <jose.fernandez@gruposese.com>; emilio.auzmendi@gruposese.com												
Receiving plant	Del. date acc. to delivery request	Unloading point	Warehouse group	Gross weight (kg)	Container quantity	Container designation Package definition	Dimensions L x W x H in cm	Stacking factor**	Load-securing devices: straps, etc.	Hazardous goods ADR*** UN no.	Part number*	Part quantity*	Delivery		
Palau Spain	01/02/2017	06-JX		480	2	Palete C2B	120X100X75	2	no		W08F0805555A	95			
Palau Spain	01/02/2017	06-JX		140	1	Palete	120X80X60	2	no		6F9 805 417	70			
Palau Spain	01/02/2017	06-JX		140	1	Palete	120X80X60	2	no		6F9 805 418	70			
Palau Spain	01/02/2017	06-JX		900	6	Palete C2B	120X100X75	2	no		6F0807109E	52			
Notes 1:													Notes 2:		
mandatory information!													non-mandatory information		
**Stacking factor: N = non-stackable, 1 = 1x stackable, 2 = 2x stackable, 3 = 3x stackable, etc.															
***ADR: N = non-ADR, J = ADR, M = partial ADR, UN no.															



## 2.6 DOCUMENTATION

It is necessary to send an Advance Shipping Notice (ASN) to the Materials Planner or suitable contact at the plant, within a period of 30 minutes of each dispatch that leaves the supplier plant. In the event of late or deficient dispatch, the supplier will contact the suitable PAM plant or plants and report the late or deficient dispatch. The supplier will also indicate the expect time for the delivery of the material sent, which is necessary to complete the original timetable.

This notification is critical in order to allow communication with production, and if necessary, with a PAM Client.

The supplier must maintain an approved contingency plan of third parties, or an alternative, in order to facilitate the planning of the timetable and communication of the ASN in the event of a system fault at its location.

The suppliers must guarantee that all the material sent is identified on a Packing Slip or Delivery Note. Although the individual specifications of the plant may be different, the information typically requested includes:

- Dispatch date
- Invoice/Packing Slip number
- Address of the supplier
- Source address to
  - Article on individual line for each part number sent
  - Part Number and Part Description
  - Purchase Order Number, for each part number
  - Batch no.
  - Order launch number
- Quantity lost and Quantity sent
  - Number of packages/skids/containers sent
  - Total number of packages/skids/weight

All of the Logistical incidents or deficiencies with documentation as well as the dispatch of files should be reported in 8D PAM format which is sent along with this manual. It should be sent with the actions within a period of under 16 hours.



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# INFORME 8D

		Informe N°: <input type="text"/> / <input type="text"/>												
		Fecha de apertura:												
CLIENTE	CENTRO	Transporte												
	PROYECTO	Logística Serv. Ind.												
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Nombre</th> <th style="width: 85%;">Cargo / puesto</th> </tr> </thead> <tbody> <tr> <td>Líder</td> <td></td> </tr> <tr> <td>Detalle del equipo</td> <td></td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td></td> <td></td> </tr> </tbody> </table>			Nombre	Cargo / puesto	Líder		Detalle del equipo							
Nombre	Cargo / puesto													
Líder														
Detalle del equipo														
<b>1. EQUIPO</b>														
<b>2. DESCRIPCIÓN DEL PROBLEMA</b>														
<b>breve resumen del problema</b>														
<input type="checkbox"/> Es una reclamación <input type="text"/>														
Indicar nº de reclamación: <input type="text"/>														
<b>Definir el problema con claridad</b>														
¿A quién le afecta el problema? <input type="text"/>														
¿Quién detectó el problema? <input type="text"/>														
¿A quién se le informó del problema? <input type="text"/>														
¿Qué tipo de problema es? <input type="text"/>														
<b>Foto / Gráficos del problema</b>														

It is necessary to attach a matrix of standard contacts with telephone numbers, email addresses, of the following departments, this contact should be available 24 hours a day, 365 days a year via telephone and email.

- Head of Logistics Department
  - Head of Quality Department
  - Head of Systems Department
  - Head of Storage
  - Head of Production



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Attached an example of the contracts matrix.

CONTACTO	TELEFONO	MAIL	DEPARTAMENTO
Juan Zaragoza	647 37 37 11	<a href="mailto:juan.zaragoza@gruposese.com">juan.zaragoza@gruposese.com</a>	Forwarding
Agustin Viladoms	647 37 37 42	<a href="mailto:agustin.viladoms@gruposese.com">agustin.viladoms@gruposese.com</a>	Forwarding
Antonio Benitez	677 17 24 49	<a href="mailto:antonio.benitez@gruposese.com">antonio.benitez@gruposese.com</a>	Calidad
Beatriz Gomez	678 53 44 20	<a href="mailto:beatriz.gomez@gruposese.com">beatriz.gomez@gruposese.com</a>	Calidad
Javier Anglada		<a href="mailto:javier.anglada@gruposese.com">javier.anglada@gruposese.com</a>	Calidad
Piliuca Alegre	647 97 94 26	<a href="mailto:mariapilar.alegre@gruposese.com">mariapilar.alegre@gruposese.com</a>	Compras
Angel Vallejo	647 37 37 74	<a href="mailto:angel.vallejo@gruposese.com">angel.vallejo@gruposese.com</a>	Ingenieria
Maria Trueba	661 04 23 98	<a href="mailto:maria.trueba@gruposese.com">maria.trueba@gruposese.com</a>	Ingenieria
Baltasar Gomez	670 47 48 27	<a href="mailto:baltasar.gomez@gruposese.com">baltasar.gomez@gruposese.com</a>	Ingenieria
Sergio Aguera	607 830 143	<a href="mailto:sergio.aguera@gruposese.com">sergio.aguera@gruposese.com</a>	Ingenieria
Noelia Ezquerra	671 64 57 89	<a href="mailto:noelia.ezquerra@gruposese.com">noelia.ezquerra@gruposese.com</a>	Directora comercial
Araceli Carrasco	627 82 78 14	<a href="mailto:araceli.carrasco@gruposese.com">araceli.carrasco@gruposese.com</a>	Directora logistica
Roberto Vaca	629 329 954	<a href="mailto:roberto.vaca@gruposese.com">roberto.vaca@gruposese.com</a>	Logistica
Carles Llibre	648 28 91 99	<a href="mailto:carles.llibre@gruposese.com">carles.llibre@gruposese.com</a>	Operativa
Oscar Gonzalez	663 068 711	<a href="mailto:oscar.gonzalez@gruposese.com">oscar.gonzalez@gruposese.com</a>	Operativa
Oscar Franco	677 50 74 20	<a href="mailto:oscar.franco@gruposese.com">oscar.franco@gruposese.com</a>	Director servicios industriales
Julian Lanaja	647 510 912	<a href="mailto:julian.lanaja@gruposese.com">julian.lanaja@gruposese.com</a>	Procesos

## 2.7 ANTI-MODIFICATIONS ITEMS

In the case of any modifications to the product, the supplier is obliged to:

-Guarantee the correct delivery of materials according to the modification

PAM will not accept and nor will it assume any extra costs for a modification that is NOT coordinated and NOT controlled by PAM. Nor will it accept poor management of it.