

THE FUTURE IS ON



# Supplier Manual





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# 1 Introduction

The purpose of the Supplier Manual is to define the requirements for doing business with Leviton Manufacturing Co., Inc. (referred to herein as “Leviton”), and to detail the processes used to ensure that our suppliers continually strive to improve quality, eliminate delivery disruptions, provide the lowest cost, and achieve an overall “best in class” service. Implementation of the processes outlined in this manual will not only minimize the risk of supply chain disruptions, but will also strengthen Leviton’s (and its supplier’s) position in the industry and help ensure continued success.

## 1.1 Scope

The requirements of this manual apply to all suppliers of finished goods, production materials (raw or components), as well as outside processes. Products and processes not incorporated into finished goods sold by Leviton are typically not covered by this manual. Any questions regarding the applicability of the requirements contained in this manual should be directed to your Leviton contact(s) for clarification.

## 1.2 Responsibility

It is the responsibility of the supplier to review, understand, and satisfy the requirements of this manual and any other applicable requirements as part of the acceptance of purchase orders from Leviton. The supplier must obtain any referenced documents to ensure full compliance. Revisions to the Leviton Supplier Manual are available via the supplier portal ([www.Leviton.com/Sourcing](http://www.Leviton.com/Sourcing)) and suppliers are required to check for revisions routinely.

## 1.3 About Leviton

Leviton provides the most comprehensive range of solutions to meet the needs of today’s residential, commercial, and industrial buildings. Leveraging more than a century of experience, Leviton helps customers create sustainable, intelligent environments through its electrical wiring devices, network and data center connectivity solutions, and lighting energy management systems. From switches and receptacles, to daylight harvesting controls, networking systems, and equipment for charging electric vehicles, Leviton solutions help customers achieve savings in energy, time and cost, all while enhancing safety.

Through investment in research and development, manufacturing, distribution, human capital and training, Leviton is well positioned to respond to the needs of a changing marketplace. Leviton’s heritage provides a strong foundation for meeting and exceeding market expectations by bringing continuous innovation to our industry.

## 1.4 Leviton’s Values & Principles

Leviton works with suppliers who deliver the best quality, value and service while exhibiting a high commitment to ethical conduct and social accountability. Leviton selects business partners who follow workplace standards and business practices that are consistent with our company’s key values & principles consisting of:

### Value Statement

The integrity of the Leviton, as a private family business, and its reputation are paramount and are to be protected and maintained by all of its employees in all of their relationships.

Leviton is driven to create value through an environment that is open, honest, and trustworthy; where each employee is respectful of our customers, suppliers, the community and one another.

- **Customers:** We strive to develop long-term relationships with our customers by providing unrivaled customer experience, quality products, and systems that anticipate their needs.

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- **Suppliers:** We want to be a long-term partner with our suppliers with the assurance they will always be treated in an ethical and respectful manner.
- **Employees:** We treat our employees fairly and with dignity. We strive to provide a career that is both challenging and rewarding in an atmosphere of mutual respect and recognition for performance and productivity.
- **Community:** We encourage our businesses and employees to serve in their communities and in charitable endeavors on a local, national, and global level.

**Vision**

To create a profitable, growth-oriented family of companies that are global leaders in their markets and to provide innovative, value-added products and system solutions delivered with unrivaled customer experience.

**1.5 Sourcing Mission & Vision**

Leviton Sourcing continuously strives to improve the informational, physical, and financial flows within and between Business Units, Customers, and Suppliers. This enables exceptional customer service, global cost competitiveness, responsiveness, revenue growth, and profitability while minimizing operating costs, working capital investment, business risks, and adverse impacts to the environment.

To achieve this level of performance, Leviton Sourcing adheres to a standard, stage-gated Global Sourcing process. The process is designed to optimize our procurement activities by defining and coordinating sourcing activities that allow for leveraging of commodities via a select group of preferred suppliers. The result is a unified, global supply chain that maximizes the value of all products and services procured relative to cost, quality, delivery, and innovation.

**1.6 Corporate Quality Policy**

Leviton Manufacturing Company, Inc. is committed to continuous quality improvement, consistent delivering products that meet or exceed expectation of quality performance and ease of use for the customers and markets we serve.

This commitment is supported by the contributions and objectives of every individual throughout the company, in every department, organization, and business unit.

**2 Doing Business with Leviton**

Founded in 1906, Leviton has had significant experience working in industries and markets across the globe; the company recognizes that customers need more than great products. They need an expert advisor to help create custom solutions that combine the correct mix of products and programs wherever and whenever they are needed. Leviton is the smart choice for professionals who need a partner with the expertise, breadth of products, and logistics infrastructure to deliver value-added solutions across a range of services and capabilities. Therefore, it is imperative that Leviton partner with suppliers that support Leviton’s overall objectives.

**2.1 Leviton’s beliefs**

- **Commitment** – Delivering world-class customer service and technical support are not goals: they are part of how Leviton does business.
- **Trust** – Leviton honors its word and delivers on its promises. Leviton earns the trust of customers, partners, and employees through actions every day.

- **Ingenuity** – Leviton’s patent portfolio, which has been recognized by The Patent Board™ for its industry impact, is evidence of its relentless focus on developing pragmatic solutions.
- **Quality** – Everything bearing the Leviton name meets the highest industry standards. All facilities are ISO 9000-9001 certified and all of our products are either UL listed, CE, CSA, CCC, or NOM certified.
- **Reliability** – Customers and business partners depend on Leviton because of the reliability of our word and our uncompromising focus on quality.
- **Value** – Value is the combination of quality, efficacy, and a fair price. At Leviton, it also includes related services, such as our industry-leading online training and education programs.
- **Sustainability** – Leviton energy-efficient products meet or exceed federal, state, and industry standards and LEED® criteria.

## 2.2 Contractual Compliance

Upon accepting a Leviton contract, the Supplier is responsible for compliance to all contract (e.g., engineering drawing, specification, purchase order) requirements.

## 2.3 Non-Disclosure Agreement

All suppliers will be required to sign a Non-Disclosure agreement. Leviton has a standard non-disclosure agreement form, and it is our practice to use our form. Information provided to suppliers such as drawings, specifications, procedures, schedules, or forecasts must be considered proprietary and confidential to Leviton. Suppliers shall not, under any circumstance, transmit or disclose this information to any third party, and shall not use this information, except in accordance with the terms of the non-disclosure agreement.

## 2.4 Control and Release of Documents

Documents furnished by Leviton to the supplier are furnished solely for the purpose of doing business with Leviton. Proprietary documents covered by the non-disclosure agreement may be furnished to the supplier in hard copy, electronic, or other media. The supplier is responsible for controlling and maintaining such documents to preclude improper use, loss, damage, alteration, and/or deterioration. Unless authorized by Leviton in writing, the supplier may not transmit or furnish any Leviton documents, or copies of such documents, to anyone outside the supplier's organization and shall maintain the confidentiality of all Leviton documents. The supplier shall either return to Leviton, or purge electronic copies, all proprietary documents with the last delivery of products or services on the contract, pursuant to the terms of the non-disclosure agreement.

## 2.5 Business Continuity

Leviton’s supply chain has become increasingly complex, global, diversified, and subject to a variety of risks that could jeopardize continued operations. In this environment, we have challenged ourselves to establish business continuity plans within our businesses, operations, and supply chain, as these are more important than ever before.

Similarly, Leviton requires its suppliers to have a business continuity plan that allows for the safeguarding, storage, and recovery of engineering drawings, electronic media, and production tooling in the event of damage or loss. This plan must also contain contingency plans to satisfy Leviton requirements in the event of significant utility interruptions, labor shortages, equipment failure, or field returns in a manner that facilitates a quick response, reaction, or resumption of parts or services in the event of a disruption.

The supplier’s business continuity plan must establish a comprehensive management approach to deal with potential disruptions or disasters. The plan must include a detailed “plan of action,” checklist of activities, communication plans, escalation procedures, and teams with roles and responsibilities.

## 2.6 Social Accountability & Supplier Code of Conduct

Leviton believes that corporate citizenship is a full time commitment and we apply the principles of social responsibility to everything we do. From our products, to our focus on reducing waste and preserving our

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environment, to our spirit of volunteerism and giving back to our communities, being a good corporate citizen is essential to our identity and culture.

Beginning in 2012, the State of California requires all companies conducting business (manufacturing or selling product) to comply with the California Transparency in Supply Chain Act of 2010. The Act requires companies to disclose the efforts they have made and measures they have implemented to eradicate slavery and human trafficking from their respective supply chains. The Act was designed to increase the amount of information made available by companies with regard to efforts to eradicate forced labor and human trafficking, thereby allowing consumers to make better, more informed choices regarding products they buy and the companies they choose to support.

It is crucial to Leviton that all its suppliers comply with laws, regulations, and internationally accepted fair and safe labor practices. As such, Leviton is committed to Sourcing products and services from suppliers that adhere strictly to our Code of Conduct. So, as part of doing business with Leviton, all suppliers are required to review and acknowledge the Code of Conduct and Transparency Act Policy ([www.leviton.com/Sourcing](http://www.leviton.com/Sourcing))

## 2.7 Environmental Health and Safety (EHS)

Leviton is striving to create a more sustainable world via our employees, eco-friendly product design, procedures, and best practices. Leviton's commitment to sustainability is far greater than a simple program; it is part of how we conduct business. Leviton is more than just a wiring device manufacturing company; we are also a partner within the communities where we work. The culture that has been created encourages our employees to give back by working with local business to provide training and education on sustainable solutions that can help reduce their energy consumption, save on costs, and decrease their carbon footprint.

Our suppliers are an important part of this culture. Therefore, Leviton expects all suppliers to:

- Provide a safe workplace to all employees
- Engage in active environmental protection and pollution prevention
- Continually strive to improve their EHS system

All suppliers are expected to have a management system that is capable of identifying, documenting, and resolving any risk to their employees or the environment. Additionally, all suppliers are expected to operate in a manner that adheres to all legal requirements (local, state, province, federal) for all locations where they conduct operations.

## 3 Quality System Requirements

Leviton expects its supply base to have robust quality management systems in place that comply with ISO 9001 or ISO/TS16949 requirements. A core component of any quality management system must be the acknowledgment, monitoring, and continuous improvement of key business processes. These efforts toward continuous improvements should be visible to Leviton in the form of improved product quality, delivery, pricing, and service.

Certification by an accredited third party registrar is highly recommended, and will be a factor considered in the award or continuation of business. Suppliers that have a third-party certified quality system must provide a copy of their certification. Regardless of certification level, Leviton reserves the right to perform periodic on-site appraisals at the supplier's facilities, and on the quality systems, records, and the product(s) being produced. Suppliers are required to provide the necessary personnel, gauging, and facilities to support the on-site surveillance. Finally, any change in third party approval/certification status must be communicated to Leviton within five business days of the event.

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### 3.1 Quality Planning

Suppliers shall follow industry standard Quality Planning methodology. Quality planning must be maintained throughout all phases of the product life cycle, from launch to delivery to the ultimate customer.

### 3.2 Quality Records

Quality records must be maintained so they remain legible and are available for review upon request and may be electronic or hardcopy. Records shall include accurate and complete quality data, Material Safety Data Sheets (MSDS) or applicable international documentation, certificates of analysis (C of A), process documentation, and other information as applicable and required. Records shall be kept for defective components and assembly processes to highlight problem areas and trends.

Records associated with production materials shall be maintained for a minimum of seven (7) calendar years, or per the accepted industry standard requirements, or per customer requirements, whichever is greater.

Records associated with non-production materials and services shall be maintained for a minimum of three (3) calendar years, or per the accepted industry standard, or per customer requirements, whichever is greater.

### 3.3 Material Traceability

As applicable, the supplier is required to establish a lot traceability system that tracks raw material lot/batch numbers to the finished product lot/batch numbers, including traceability to inspection records.

### 3.4 Problem Solving

All Leviton suppliers must create, utilize, and maintain a procedure for closed-loop corrective and preventative action employing a disciplined set of problem solving techniques. It is Leviton's desire that the system be based on 8D problem solving principles (see Section 8.0).

### 3.5 Internal Audits

All suppliers are required to conduct internal audits to ensure that the supplier stays compliant to Leviton requirements, and to provide Leviton with an outline of its procedures, if requested.

### 3.6 Inspection Instructions

The supplier is required to create inspection instructions/methods for all employees who have responsibilities for parts or operations that impact product quality.

The supplier may employ sampling inspection plans only when historical quality records indicate that a reduced inspection frequency can be achieved without compromising the level of product quality. If the supplier chooses to utilize sampling inspection methods, the sampling plan must be clearly tied to a recognized national standard and must be reviewed and approved by Leviton. If a supplier chooses to implement sampling, the supplier needs to be aware of the following:

- If at any time a defect is discovered, immediately that part will be removed from a sampling plan and 100% inspection of the lot is required.
- The supplier must maintain quality records of sufficient detail that clearly establishes that the part was capable of going to a sampling plan.

### 3.7 Auditing & Source Inspection

The supplier's business, products, or services may be subject to auditing and source inspection by Leviton, a Leviton representative, or applicable government/regulatory agency. The supplier shall provide the necessary access, equipment, and resources required to effectively accomplish the audit or source inspection.

Source inspection requirements will be included on the contract and may apply to any and all operations performed by the supplier or the supplier's sub-tier sources.

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### 3.8 Sub-contractor Management

It is the responsibility of the supplier to manage the quality of all sub-contractor operations. All requirements described in this Quality Manual are applicable in full to sub-contractors. All documents, quality datasets, and audit reports must be kept available by the supplier and readily available for evaluation when required.

### 3.9 Warranty

Suppliers must have the capability of supporting life cycle requirements of the product. Suppliers are expected to demonstrate reliability that meets or exceeds Leviton requirements and warranty the items supplied to Leviton as defined in Leviton's Terms and Conditions.

Suppliers having design or co-design responsibility must participate in reducing the number of warranty concerns. The supplier must track and analyze the causes of warranty claims and use the information to improve processes and product quality. This will support enhanced customer satisfaction and continued business for Leviton and its suppliers.

## 4 Supplier Selection & Approval

Leviton follows a stage-gated, standard sourcing process that qualifies suppliers based on business needs and capabilities. At each step of the process, objective evidence confirming compliance to the Leviton standards is compiled and reviewed.



The commodity manager facilitates this activity by collaborating with other procurement staff, Engineering, Operations, and Quality. Leviton reviews and approves suppliers based on criteria that may include:

- Quality performance
- On-Time delivery performance
- Technology capability
- Competitive costs
- Operational capability
- Customer service and support
- Global presence and capability
- Financial viability
- Robust quality system and continuous improvement programs
- Environmental Health and Safety performance
- Environmental regulations and compliance

Leviton's supplier selection process is a rigorous process that ensures alignment between Leviton and the supply chain. Therefore, prior to any contract award, every supplier must be approved by Leviton regardless of third-party approval or other customer approval. During the selection process, Leviton will require the following:

- a) Supplier Initial Assessment  
Leviton will request the supplier provide a copy of its quality management system certificate and/or complete a self-assessment of its business and quality management system and capabilities (i.e., quality, delivery, technology, cost, and continual improvement objectives).
- b) Documentation Audit

In those cases where a supplier's quality management system has not been certified by an accredited certification body, Leviton may request a copy of the supplier's Quality Manual and supporting procedures (and perhaps internal audit reports) to determine if the supplier's quality management system meets Leviton's requirements.

c) On-Site Assessment

Generally, when a supplier is certified to a related standard by an accredited certification body, Leviton will not conduct an on-site assessment of the supplier's quality management system against the same criteria. Leviton and/or its customers, due to product/process complexity or criticality, may elect to conduct on-site assessments of a supplier's product or process capabilities. These assessments could include:

- Quality Management System (QMS) – if necessary, as a result of (or in conjunction with) product or process capability assessments, to determine whether the supplier's quality management system meets one or more of the applicable standards, and is functioning effectively.
- Business and Manufacturing Operations – to determine whether the supplier has the financial resources, production capacity, and other business resources needed to fulfill Leviton volume production needs and continuity of supply.
- Continual Improvement Initiatives – to determine if the supplier's culture, methods, and skills are present to actively pursue continual improvement.
- Technology Assessment - to determine whether the supplier has the needed technical resources, including production and inspection equipment, facilities, engineering resources, Leviton-specified computer-aided design language/format, electronic commerce capability, etc.
- Sub-Tier Supplier Control – to evaluate the effectiveness of the suppliers sub-tier management processes and ensure that products or services procured from sub-tier sources and delivered to Leviton conform to all applicable Leviton requirements.

#### 4.1 Supplier Approval

The decision to select a supplier can include many cross-functional team members. Final selection is based on the results of the above-mentioned processes during the selection process. Some suppliers will be accepted with conditions that must be addressed before award of business. Upon approval, suppliers will be added to the Approved Supplier List (ASL). It is mandatory that all suppliers be approved and listed on the Approved Supplier List (ASL) prior to the issuance of any contracts or purchase orders to the supplier.

The types of supplier approval levels are:

- Full Approval
  - Enables Leviton sourcing personnel the ability to conduct business with suppliers at any time as long as the supplier is approved for the commodity being sourced.
- Conditional approval
  - Enables Leviton sourcing personnel the ability to conduct business with suppliers that are pending a corrective action completion/verification/approval.
- Disqualified
  - Suppliers either not capable of initially meeting or fail to meet standards during a periodic audit. Leviton sourcing personnel shall not issue any contracts or purchase orders to these suppliers.

## 5 Requirements Communication

Most new business with Leviton begins with a request for quotation (RFQ) and should contain all necessary documents for full quotation, including:

- Engineering drawings
- Technical specifications
- Physical samples when available

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In some instances, prospective suppliers will have to execute non-disclosure agreements before a Request for Quotation (RFQ) is provided to them. The supplier must contact Leviton in the event the RFQ materials are illegible, unclear, or missing key information that is necessary for quotation. Later amendments or changes to supplier's commercial proposals, for any reason, will not be accepted.

### 5.1 Purchase Orders (POs)

Product specific requirements may also be communicated on POs. Product drawings on POs may specify characteristics that affect the fit, form, and function of the product. Every PO should be followed by an acknowledgement from the supplier confirming for each part number the price agreed, quantity, delivery date, schedule, or lead time. Acceptance of the PO is an acceptance of the Leviton Standard Terms and Conditions of the PO.

### 5.2 Forecast Requirements

Leviton may provide forecast data on request or on an agreed upon schedule (weekly, monthly, quarterly). Leviton's monthly rolling forecast is highly confidential. Supplier shall not at any time make use of or disclose to any person (other than to those of its officers, employees and advisers with a need to know). Forecasts are non-binding, are for planning purposes only, and do not constitute an order, purchase, or commitment by Leviton.

### 5.3 Revisions

Any revisions to the product requirements will be communicated through the Leviton Sourcing organization. It is the supplier's responsibility to review Purchase Orders to ensure that up-to-date revisions of product requirements are utilized by their manufacturing. In case of non-compatibility, it is the supplier's responsibility to request from Leviton an updated specification. The supplier is not allowed to deliver previous revision level parts, except by written agreement from Leviton.

## 6 Part Qualification

Leviton's goal is defect prevention, rather than defect detection, which is accomplished via upfront quality planning. This section defines the generic requirements for production part qualification and approval. The purpose is to determine if all Leviton requirements are properly understood by the supplier and that the manufacturing processes have the capability to consistently meet these requirements.

### 6.1 First Article Inspection (FAI)

At a minimum, Leviton requires a First Article Inspection (FAI) to initially qualify a part/process for supplier approval. Additionally, a new FAI may be requested if there is an extended gap of time since the last production run. The FAI requires that all features and characteristics on the design specification and control plan be inspected and verified prior to production. Actual measured values shall be recorded, not general statements of conformance or other notations simply indicating acceptance.

### 6.2 Work Instructions

Documented work instructions must be created, maintained, readily available, and used by all employees having responsibilities for the operation of processes that can impact product quality.

### 6.3 Measurement Systems Analysis (MSA)

All suppliers to Leviton must obtain or develop inspections tools (gages or standards) to control their processes and to ascertain product conformance to specifications. Gaging alone is insufficient; therefore suppliers must perform Measurement Systems Analysis (MSA), e.g., gage repeatability & reproducibility (gage R&R), linearity, stability, etc. for all new or modified inspection and test equipment.

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## 6.4 Preventative Maintenance

The supplier should identify key process equipment and provide resources for machine/equipment maintenance activities and develop a planned total preventive maintenance system.

## 6.5 Material Compliance

Leviton requires suppliers to understand and verify the composition of their raw materials. At any time Leviton may request raw material confirmation via a full material disclosure report in order to verify that the raw material contained in the purchased product meets Leviton, regulatory, or industry standards.

If the supplier does not have material testing capability in-house, then the supplier must secure an ISO 17025 accredited external third party source that has the capability of material compliance analysis for the specific raw material(s) being procured. All suppliers must have the ability to provide evidence of both material compliance and, when external testing is performed, third party accreditation if requested by any of Leviton's sourcing, manufacturing, engineering, or quality representatives. In addition, Leviton requires ongoing material certification be provided on a routine basis for any purchased product, at the supplier's expense during the life of the product.

## 6.6 Hazardous Substances Requirements

Leviton markets and sells product all over the world and many of our products must comply with various directives and legislation related to controlling, reducing or eliminating hazardous substances. Many of the latest initiatives originate from various European directives and apply to product sold in various European countries. However, due to the ever expanding global marketplace, most of these standards are being applied to US sold products in addition to product sold in Europe and worldwide. Therefore, Leviton is committed to compliance with the Restriction On the use of certain Hazardous Substances (RoHS) Directive (2002/95/EC).

**RoHS:** Is an acronym for a European directive that stands for the "Restriction On the use of certain Hazardous Substances" in electrical and electronic equipment (EEE). The RoHS Directive restricts the use of Lead (Pb), Mercury (Hg), Cadmium (Cd), Hexavalent chromium (Cr6+), Polybrominated biphenyls (PBB), and Polybrominated diphenyl ether (PBDE) in manufacturing of certain electrical and electronic equipment (EEE) sold in the European Union. Compliance obligations apply for manufacturers and importers of EEE sold in the European Union, while distributors now assume verification requirements. It is the supplier's responsibility to review, understand, and comply with RoHS standards.

In support of the RoHS initiative, Leviton expects all suppliers to:

- Provide RoHS compliant products;
- Supply information concerning material content and manufacturing parameters;
- Establish internal processes to support the RoHS initiative;
- Provide documentation/evidence that product/material complies with the RoHS directives, in the form of supplier declarations, full material declarations, and/or analytical test results using the methods described or referenced in EN 62321, or from an ISO 17025 accredited testing laboratory, as Leviton deems required per its internal policies and procedures;
- Keep abreast of changes to the RoHS directive, including but not limited to, changes to the restricted substance list and/or their related maximum concentration values tolerated by weight in homogeneous materials, and application exemptions, both newly added as well as soon to be rescinded; and
- Notify Leviton immediately should the RoHS compliancy status of any item you supply or have ever supplied Leviton change from that which you have previously declared, as well as if any exemptions previously claimed no longer apply or have been rescinded.

## 6.7 'Conflict Minerals' Due Diligence and Reporting Requirements

Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act imposes requirements on manufacturers if their products contain "Conflict Minerals," (tin, tantalum, tungsten, gold, etc.) originating from

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the Democratic Republic of the Congo (DRC) or an adjoining country (e.g., Rwanda, Sudan, Uganda). This legislation requires all manufacturing companies publicly traded in the U.S. to report annually to the Securities and Exchange Commission (SEC) whether they use Conflict Minerals that originated from the Democratic Republic of Congo (DRC) or an adjoining country. Companies are required to conduct due diligence inquiries in their supply chains. This will necessitate supplier cooperation to determine whether products contain conflict minerals from the DRC or an adjoining country. It is our intention to do what we can to ensure that the products and components in our supply chain do not contain minerals from those geographic areas which contribute to the armed conflicts in the DRC and adjoining areas.

As a Leviton supplier you are required to undertake the following:

- Establishment of a due diligence process for identifying and managing the (in)direct sourcing of tin, tantalum, tungsten, gold and all other Conflict Minerals.
- Determine which of your products/components contain tin, tungsten, tantalum, and/or gold
- Identify all the smelters in your supply chain that supply the tin, tantalum, tungsten, and/or gold. If you don't source directly from smelters, you must pass this request on to your suppliers (and they may have to pass it on to their suppliers) and have them inform you of the smelters in your supply chain
- Aggregation of the collected data to be provided to Leviton via the latest version of the EICC-GeSI Conflict Minerals Reporting Template, completing all questions, and ensuring that all products, components, and / or raw materials you supply to Leviton are addressed therein
- Provide updates to Leviton via the above referenced reporting template as requested, but no less frequent than annually

About the EICC-GeSI Conflict Minerals Reporting Template:

One of the important questions in this template requires you to identify the smelters from which you are sourcing the four metals of concern. If you do not directly source from a smelter and do not know the smelters in your supply chain, you should forward a copy of the tool to your suppliers, until the supply chain reaches the smelter of the metal being investigated. After receiving their feedback, you combine all information collected from your suppliers and fill out one Template for your company. Once you have provided your company's Conflict Minerals Reporting Template, your customers will be able to create their disclosure to the U.S. government and/or to their customers on an annual basis. This Template is consistent with EICC and GeSI's related activities including the Conflict Free Smelter program. For more information please see the worksheets titled, "instructions" and "definitions" in the Template, and the EICC-GeSI Extractives Information website: <http://www.eicc.info/extractives.htm>.

## 7 Control of Nonconforming Material

The supplier is responsible for meeting all the requirements of the Leviton purchase order, drawings, standards, and industry standards/specifications (e.g., EIA, ASTM, etc.) when specified or applicable. Material that does not conform to these requirements shall not be shipped to Leviton, its customers, or other suppliers without prior written approval. In the event that quality problems are experienced (escape or contained) with a supplier, Leviton's corrective action process may escalate through several phases, depending on the adequacy and timeliness of the supplier's response and the effectiveness of the actions taken. Finally, all costs that are incurred by Leviton associated with the failure of a supplier to meet Leviton's quality requirements will be charged back to the supplier.

### 7.1 Supplier Request for Deviation

A supplier shall not knowingly ship a product that deviates from the drawing, specification, or design intent without prior written authorization from the Leviton. If such a condition exists, the supplier may petition Leviton, in writing, to allow shipment of the product under a written nonconformance deviation. The supplier shall use Leviton's Supplier Deviation Request, unless otherwise directed.

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If requested by Leviton, the supplier must send samples of the nonconforming items for evaluation. The cost of shipping, inspection, and testing to determine the potential acceptability is the full responsibility of the supplier.

Leviton approval of a deviation is specific to the products, quantity, and time period for which it has been submitted and approved. The deviation shall not to be construed as a permanent engineering change. The supplier must begin work immediately on corrective action. In all cases, the supplier shall fully contain all product suspected of being nonconforming. In addition, nonconforming product may be returned to the supplier at the expense of the supplier, or the supplier may be required to sort any suspect product already shipped to Leviton sites or be charged back for the cost of sorting by Leviton.

Parts that are approved through Leviton's deviation process may be shipped to Leviton provided they are clearly identified as such externally on the box, container, or other packaging and on shipping documentation. Finally, each box must contain a copy of the Leviton-approved deviation document.

## 7.2 Quality Escapes/Cost of Poor Quality (COPQ)

For product quality problems discovered by Leviton, a Material Inspection Report (MIR) or Discrepant Material Report (DMR) may be created. Depending on the scope and severity of the MIR/DMR, the supplier may be charged an administrative fee due to the costs associated with dispositioning the MIR/DMR and managing the Corrective Action process.

Administrative fee for each defective or non-conforming Product as determined by Leviton will systematically be charged back to the Supplier. The charge back rate will be \$250 for each MIR/DMR written, plus additional charges such as sort, rework, returned freight, and line down. Charges will be processed as debits through the accounts payable department.

Subject to Leviton's reasonable written approval, Supplier has the following options with respect to Products deemed by Leviton to be defective or non-conforming:

- a) Send replacement parts immediately
- b) Provide personnel to sort the defective material
- c) Use a local temp agency specified by Buyer plant to sort the defective material
- d) Use Buyer plant-approved third-party to rework the material
- e) Buyer may sort, rework, and undertake any other non-value-added activity at a minimum rate of \$60.00 per hour

For any product identified by Leviton as nonconforming, it is the responsibility of the Supplier to provide documented evidence with subsequent shipments that the product has been 100% inspected and meets all applicable requirements. 100% inspection will be in effect until formal corrective action has been taken, approved, and verified.

## 7.3 Control of Repaired/Reworked Product

Rework is defined as additional operations that are not part of the basic production process flow, which will bring product in full compliance with applicable drawings and specifications. Instructions for rework, including re-inspection requirements, shall be accessible to and utilized by appropriate personnel. All rework shall be documented and accepted by the supplier's quality organization.

Repair is defined as using alternative manufacturing techniques, methods, materials, or processes which may not bring product into full compliance with applicable drawings and specifications. Repairs are not allowed without written approval from Leviton. To process a proposed repair, the supplier should follow the same process as requesting a deviation.

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## 8 Corrective Action – 8D

Leviton suppliers must maintain and apply an effective closed loop corrective and preventative action system that includes a disciplined set of problem solving methods. Leviton's preferred method for problem solving is the 8D method. When a nonconformance is discovered this closed loop system should be used to contain, understand, and prevent the problem.

When supplier non-conformances are identified within a Leviton Manufacturing Site or Business unit, a supplier corrective action request (SCAR) may be initiated. Determination of when a corrective action will be issued is the responsibility of the Leviton Manufacturing Site or Business Unit. Feedback from the supplier shall be within the Leviton provided SCAR format.

Failure to respond to requests will result in procedural escalation to the appropriate Leviton Supplier Sourcing Director and or Quality Assurance Manager.

The suppliers written corrective action plan will be returned to the responsible Leviton coordinator for review of adequacy and effectiveness. Depending on the severity of the problem, an on-site visit at the supplier's facility may be required to verify the corrective and preventative actions.

## 9 Change Management

Leviton requires suppliers to inform us of all supplier related changes and in many cases get prior approval from Leviton to proceed with a change. The effect of change without prior approval can adversely affect our business. Therefore, Leviton requires that suppliers have procedures to manage change requests as well as all changes must be presented and approved by Leviton prior to incorporation.

The supplier shall have a process in place to ensure that all relevant versions of documents that are provided by Leviton (as well as other documents) are available at the various points of use. In the process, the supplier must establish that documents are reviewed, distributed, and implemented. The process should also define the records that document the details of the change and its implementation into production.

### 9.1 Supplier Change Request (SCR)

As a supplier to Leviton you are required to notify us in writing via a Supplier Change Request. The request must be made in writing to your Leviton Sourcing contact. Unapproved changes made by the supplier are subject to chargebacks on costs incurred related to the change.

## 10 Supplier Performance

Leviton strives to consistently offer high quality parts and services at a good value and to lead design and technology, while providing consistent and quick deliveries to the customer. Leviton strives for continual improvement both internally and externally. Based on these values, Leviton looks for suppliers that are creative and innovative and are capable of identifying improvements and cost reductions. The desire is to have an open, straightforward dialogue with our suppliers so that, together we can reduce waste and improve quality.

As such, it is Leviton's policy to support the development of its suppliers and to recognize suppliers for sustained performance and for continuous improvement.

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## 11 Supply Chain Protection and Security

Leviton is committed to securing its supply chain and expects its suppliers to accept responsibility for factory and cargo security up to the point of delivering freight to the appointed forwarder. To that end, Leviton has been an active participant in C-TPAT (Customs – Trade Partnership Against Terrorism) since 2003 and is certified by Customs & Border Protection (CBP), a Department of U.S. Homeland Security. As a result, all suppliers (domestic or foreign) that ship to the United States whereby Leviton acts as the **importer of record** at the port of entry are also required to participate.

In order for Leviton to maintain its certification, we are required to have an up-to-date view of our logistics partners supply chain protection program so we can determine whether (1) all existing security safeguards, controls and procedures currently in place are adequate, and (2) whether there are areas that may require improvement. So, to stay in compliance with the C-TPAT requirements, new and existing suppliers, when requested by the sourcing agent, must complete the security questionnaires and return them to their Leviton sourcing agent.

## 12 Packaging, Labeling, and Logistics

Packaged product quality and adherence to the Leviton shipping requirements is the responsibility of the supplier. Additionally, the supplier is expected to meet the shipping, packaging, and label requirements as specified by Leviton and the laws of the shipping, in-transit, and receiving countries.

### 12.1 Preservation of Product

In-process and finished products shall be appropriately packaged to protect from damage. Packaging shall meet **all** applicable shipping laws, codes, and regulations. All shipments shall be packaged or placed in a new container unless otherwise specified. Packing slips shall be attached to the carton exterior in shipping envelopes.

In order to detect deterioration (for stocked items), the condition of product should be assessed at appropriate planned intervals. The Supplier should use an inventory management system to optimize inventory turns over time and should assure stock rotation, such as “first-in-first-out” (FIFO).

### 12.2 Packaging

The supplier must adequately plan for packaging design to prevent product damage, contamination, deterioration, or loss during shipping. Suppliers should provide expendable packaging or returnable containers, where appropriate, that provide for sufficient density and protection from any likely damage that may occur. Expendable materials and packaging must meet local and national standards for safe disposal and/or recycling.

The supplier shall ensure that all packaging is clean and free from dirt, debris, foreign materials, and damage. All returnable packaging and dunnage that is not clean and free from dirt, debris, foreign material and damage may be subject to rejection.

Unless otherwise agreed upon with Leviton, suppliers should ensure that the product packaging and pallet unit are capable of passing International Safe Transit Association (ISTA) requirements. Specifically, shipping packages should be tested to the specific ISTA requirement, depending on package type and weight.

### 12.3 Shelf Life

With every shipment of materials or products that have a limited or specified shelf life, the Supplier shall furnish data that shows:

- a) The cure or manufacture date

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- b) Expiration date (shelf life)
- c) Lot or batch number
- d) When applicable any special handling or storage requirements.

Unless otherwise specified by contract, for all shelf life limited materials or products delivered to Leviton, the remaining shelf life shall be a minimum of 90% of the total shelf life for the product.

**12.4 Labeling and Documentation**

Accurate labeling and documentation is important to a supplier’s ability to achieve or maintain their on-time delivery standing. Therefore, all shipments must be labeled and contain the appropriate documentation.

**12.5 Delivery Terms/Expectations**

Delivery terms shall be in accordance with INCOTERMS 2010 and as identified on the PO.

Suppliers are expected to strive for 100% on time delivery. Where on time is between two (2) days early and zero (0) days late. In cases where the delivery shall be delayed, the supplier must notify the Leviton sourcing agent of the delay and either change the delivery date to a mutually agreed upon revised date or in some cases Leviton will have the right to cancel the order and use a different source of supply.

**12.6 Logistics**

Leviton provides information as to the desired freight carrier to be used when shipping product via the Inbound Routing Guide ([www.leviton.com/Sourcing](http://www.leviton.com/Sourcing)). If this information is not applicable, please contact your Leviton Buyer for instructions on which carrier to use.

If the product is shipped via a carrier other than the one designated by Leviton, the supplier may be liable for any excess freight charges incurred. Should a supplier need to deviate from the Leviton freight carrier or agreed upon shipping date, it is required to contact the Leviton Buyer or Planner for resolution.

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