SCHAEFFLER

We pioneer motion

Complaint process for suppliers

Basic principles

Table of content

1.	**Scope**	**3**
2.	**Purpose**	**3**
3.	**Response types**	**4**
3.1	General Actions	4
3.2	8D Report	4
3.3	8D Report Plus	4
4.	**Procedure**	**5**
4.1	Procedure with 8D Method	5
4.2	Procedure without 8D Method	5
5.	**Definition of the 8 disciplines**	**6**
5.1	Discipline 1: Team	6
5.2	Discipline 2: Problem description	6
5.3	Discipline 3: Containment actions	6
5.4	Discipline 4: Root cause analysis	6
5.5	Discipline 5: Selection and verification of corrective action(s)	7
5.6	Discipline 6: Implementation and validation of corrective action(s)	7
5.7	Discipline 7: Prevention of reoccurence	7
5.8	Discipline 8: Conclusion and acknowledgement of the team’s success	7

1. Scope

This document describes the handling of supplier complaints at Schaeffler and is therefore addressed to all suppliers of the Schaeffler Group.

2. Purpose

In order that a technical problem or system defect can be resolved quickly and effectively in the event of a concern, the Schaeffler Group primarily stipulates the use of the 8D Method for team-oriented problem-solving, preferably with reference to the description in VDA volume „8D – Problem-solving in 8 disciplines“.

The supplier must immediately initiate measures to ensure the ability to deliver to the customer. The defective and suspect parts must be identified (traceability must be guaranteed) and blocked. The causes must be analyzed so that the effective measures for troubleshooting can be implemented.

The so-called 8D Report records the way in which the concern is handled and the appropriate corrective measures that are taken in a clear, summarized form.

3. Response types

Depending on the severity of the complaint, the required response type is determined by Schaeffler and the supplier is informed accordingly in writing by the complaint coordinator.

The complaint should preferably be processed via the SupplyOn platform. If the supplier does not use this service, the Schaeffler templates, see attachments, must be used.
If the supplier has its own form, it must completely cover the content of the Schaeffler templates, and the use must be coordinated with the complaint coordinator.

3.1 General Actions

In the case of simple logistical failures, the response in the form of standardized 8D Report is not required from the supplier and the „General Actions“ to failure prevention must be defined.

3.2 8D Report

8D Report is the generally required response type. The content of the disciplines is described in chapter 5.

3.3 8D Report Plus

For the processing of serious cases as well as repeated complaints, 8D Report Plus is required as a response type from suppliers. Appropriate analysis methods for root cause identification must be used in this process. In addition, the causes must be verifiably determined and clearly documented. Selection with verification and implementation with validation of the measures must be demonstrably carried out with the help of suitable methods and documented.

4. Procedure

4.1 Procedure with 8D Method

The supplier must submit a written statement in the Schaeffler Portal SupplyOn, respectively to the customer's recipient plant, specifying what containment actions are to be taken (Discipline 1 to 3), within 24 hours of receiving the complaint.

The supplier must complete the 8D Report, up to and including the planned corrective measures (Discipline 1 to 5), and return this to the Schaeffler complaint coordinator within 5 working days of receiving the complaint or the reference parts.

Once the corrective measures have been introduced and verified, the supplier sends out the completed 8D Report (Discipline 1 to 8), up to and including evidence of the effectiveness of the introduced measures, to mark the end of the complaint process. The effectiveness of the implemented measures can be verified on site by the responsible Schaeffler employees after prior agreement with the supplier. In addition, Schaeffler reserves the right to carry out process audits on site.

Different deadlines can be set by Schaeffler if this is possible or necessary in the specific case (e.g. based on the reaction deadlines required by end customers). The newly set response time is then mentioned in writing in the inspection report.

If Schaeffler does not agree with the contents of the 8D Report or the effectiveness of the measures has not been confirmed, the supplier is under obligation to make subsequent improvements. The complaint coordinator, respectively the relevant SQE or SLE must be supplied with further details or intermediate status reports on concern processing upon request.

After all agreed measures have been implemented and their effectiveness verified, the 8D Report is accepted by the recipient plant and the complaint case is closed.

4.2 Procedure without 8D Method

If the supplier response in the form of the standardized 8D Report is not requested, the response deadlines are set by the complaint coordinator and communicated to the supplier.

Within this period, the supplier must submit a statement specifying the measures in the Schaeffler portal SupplyOn or in writing to the acceptance plant.

After all agreed measures have been implemented and their effectiveness verified, the complaint case is closed.

5. Definition of the 8 disciplines

The 8D Method of problem-solving involves working through the following eight processes on an autonomous basis:

5.1 Discipline 1: Team

An interdisciplinary team must be set up for the purpose of processing the concern. The team leader coordinates all activities and reports to the customer.

5.2 Discipline 2: Problem description

The problem that has occurred must be defined as accurately as possible, to prevent any misunderstandings when the complaint is processed further. The products already delivered must be narrowed down and the information about the number of affected parts must be communicated to the customer immediately. The „Is / Is not analysis“ should be used.

The potential risks are to be analyzed and this analysis is made available to the customer. It is essential to check the possible effects on other Schaeffler plants.

5.3 Discipline 3: Containment actions

In order to limit the damage that has occurred, any stock affected by the problem in the production facility, warehouse, at the subcontractor‘s premises, en route to the customer, or at the customer‘s premises, must be located, quarantined and marked immediately, or recalled if already delivered.

The supplier, in agreement with the customer’s recipient plant(s), establishes what further containment actions (sorting, 100% inspection etc.) need to be taken and checks their effectiveness. The method of marking the affected products and subsequent sorted deliveries and the content of these markings must also be coordinated.

If the affected products are not 100% of the specification, a special approval must be applied for before delivery. The delivery is then only possible after this special release has been approved by the customer and a copy of the released special release must be enclosed with the delivery.

The immediate measures may only be remedied after the effective corrective measures have been introduced and approved by the customer has given his consent.

5.4 Discipline 4: Root cause analysis

Standard analytical methods, such as “Ishikawa” (fishbone diagram) or the “5 Why“, must be used to determine the actual cause(s) of the occurrence and non-detection of the problem.

5.5 Discipline 5: Selection and verification of corrective action(s)

In addition to determining the cause(s) of the defect, the supplier is also responsible for defining effective corrective actions to solve the problem in the short term. Written proof of the effectiveness of these measures must be provided.

5.6 Discipline 6: Implementation and validation of corrective action(s)

Corrective actions, which reliably prevent the defect from recurring, must be defined in agreement with the relevant customer plant and in accordance with the effectiveness proven under Discipline 5.

5.7 Discipline 7: Prevention of reoccurence

In order to prevent the reoccurrence of the defect in conjunction with similar products or processes, suitable comprehensive measures have to be taken and lessons learned have to be recorded.

Product and process documentation, such as the FMEA, Control Plan, guidelines, technical specifications, drawings and work instructions must be updated in line with the established cause(s) and corresponding corrective actions.

The documentation for similar products or processes to be modified in accordance with the lessons learned.

5.8 Discipline 8: Conclusion and acknowledgement of the team's success

The self-assessment of the content of the 8D Report must be carried out (the template for this self-assessment is part of the Schaeffler 8D Report template).

The results that have been introduced effectively by the team are acknowledged by the team leader.