



# Supplier Manual

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# Brady Corporation

We **identify** and **protect** Premises, Products and People

## Goal

The goal of this Supplier Manual is to provide an overview of Brady's processes and the expectations that form the basis of our supply chain partnership – affording a mutual long term benefit of both parties.

## Scope Of Use

All Brady locations worldwide are using the contents of this Supplier Manual with their supply chain. A list of the sites can be found on the Brady website [www.bradycorp.com](http://www.bradycorp.com)

## Quality Commitment

Each of us at the Brady Corporation accepts the unending commitment to deliver valuable, defect-free products and services that meet or exceed our customer's expectations.

Our personal commitment to customers is that we will work to understand their needs, to earn their loyalty and we will work each day to improve everything we do.

## Supply Chain Philosophy

In order to provide high quality, competitively priced products in today's demanding market, suppliers must share this vision and Quality Commitment. Brady seeks partnerships with suppliers that embody the following attributes:

A supplier philosophy that creates a willingness to work as a partner with Brady to achieve our mutual success.

Establishment of sourcing and supply chain initiatives that are synergistic with the strategies of both the supplier and Brady Corporation, and are scalable to provide for future growth.

Commitment to stable and capable processes, such that all supplied items and documentation meet our requirements each and every time.

Dedication to continuous improvement in the areas of quality, on-time delivery, service, product improvement, information completeness and accuracy, and total cost.

Sound financial and business practices and solid reputation in the business community and the marketplace.

Creation of a relationship to allow Brady to be a "Customer of Choice," especially in the areas of new product development, emerging technologies, and collaborative design.

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## 1.0 Introduction

This Supplier Manual provides an overview for the general policy, requirements, and expectations for doing business with Brady Corporation (herein referred to as Brady) and all its businesses and affiliates. Understanding the processes and expectations outlined in this manual will not only reduce risk of supply chain disruptions, but will also help Brady and its suppliers increase our competitive industry position and ensure our collective continued success. These requirements can best be satisfied through the practice of:

- Mutual respect, cooperation, and accountability
- Free exchange of information, including business goals and objectives
- Timely and complete provision of information required for compliance to governmental, regulatory, or market requirements.
- Agreement on evaluation of performance
- Commercial competitiveness and new business opportunities
- Effective management and control systems
- Joint continuous improvement activities

### 1.1 Scope

The elements of this manual apply to all suppliers globally of finished goods, production materials (raw materials or components), as well as any outside processes or services where applicable to any global Brady business.

### 1.2 Responsibilities

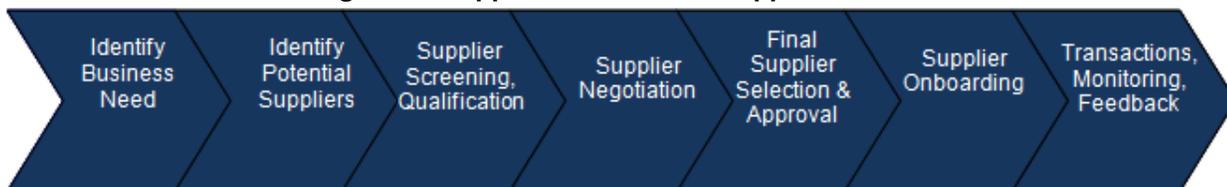
**Suppliers** - It is the responsibility of the Supplier to review and understand this manual and any other applicable documents as part of the acceptance of purchase orders from Brady. The supplier should retain any referenced documents to ensure full compliance with all applicable requirements.

**Brady Sourcing** - Brady Sourcing is the primary contact for all agreements with the supplier. Brady Sourcing will ensure that the product requirements are clearly communicated to and agreed upon by both parties. Outside of formal Purchase Orders, Brady Sourcing personnel are the only personnel authorized to enter into binding purchase commitments. Communications outside of those with Brady Sourcing are not binding.

## 2.0 Supplier Approval

Brady will initiate supplier development activities in support of its business needs. A graphic of Brady's supplier selection and approval process is depicted below:

**Figure 1 - Supplier Selection and Approval Process**



### 2.1 Supplier Selection and Approval Process

The following documents / processes will be considered when doing business with Brady:

- Non-Disclosure Agreement (NDA)
- Supplier Self-Survey
- Certification to a recognized Quality Standard (ISO 9001 or equivalent for general situation) Appropriate to situation – TS16949 for automotive, AS9100 for Aerospace, etc. Or as required by our customers
- On-Site Assessment. As needed, Brady personnel will review a supplier’s processes and systems in areas such as quality, manufacturing, financial, business, and management
- Any appropriate free trade document for the region that business is being conducted For example, U.S. suppliers: USMCA Certificates of Origin, C-TPAT Certification, Tax Exemption Certificate (OEM suppliers), W-9 Request for Taxpayer Identification, etc.
- Completed and signed Master Supplier Agreement (MSA) (as needed)

## 2.2 Supplier Sub-Contractor Management

It is the responsibility of the supplier to manage the quality of all sub-contractor operations. Supplier may not change any sub-contractor after initial approval without the prior written authorization of Brady (i.e. PPAP submission).

Any unfavorable impact (financial or otherwise) resulting from unacceptable quality, delivery or cost from a subcontractor will be the responsibility of the supplier.

## 2.3 Social Accountability and Sustainability

Suppliers shall comply with all applicable federal, state, and local laws, and rules and regulations of any government authority which have effect of the law.

Brady also expects its suppliers to be committed to Environmental Compliance and Sustainability and the supplier agrees to support Brady’s ongoing sustainability efforts as they evolve.

## 2.4 Ethics and Business Conduct

Brady expects its suppliers to maintain the highest standards of integrity and to be striving to substantially follow the Brady Code of Ethics ([www.bradycorp.com](http://www.bradycorp.com)).

Suppliers must be able to demonstrate compliance with the California Transparency in Supply Chains act of 2010 and the UK Anti- Modern Slavery Act of 2015. Failure to comply may result in the termination of the commercial relationship with the supplier.

## 2.5 Business Continuity Plan

Suppliers may be requested to submit a formal Business Continuity Plan to limit impact to Brady and its customers. At a minimum, this includes understanding the likely interruption scenarios, a plan for an alternate manufacturing capability, alternate supply lines for material procurement, and staffing to ensure that any impact to Brady and its customers is minimal.

# 3.0 Supplier Monitoring and Improvement

## 3.1 Supplier Scorecard / Performance Evaluation

Brady monitors and ranks suppliers on a quarterly basis using the supplier scorecard to evaluate supplier performance. The supplier’s performance will determine if they are eligible for new business, expose opportunities for improvement, etc. The Brady supplier scorecard is comprised of three basic elements: Quality, Delivery, and Commercial.

As unfavorable trends are discovered, suppliers agree to complete formal corrective actions and countermeasures at our discretion.

### 3.2 Continuous Improvement

The supplier's management should take an active role in adopting continuous improvement as a key element of their business plan.

Suppliers are expected to develop continuous improvement plans to enhance quality, improve delivery, improve cost, and enhance overall product performance.

## 4.0 Process Management Expectations

### 4.1 Quality System Requirements

All suppliers should be compliant with an industry recognized quality standard such as ISO9001, ISO/TS16949, ISO13485, AS/EN9100 or other equivalent quality systems. Proof of appropriate current accredited certification will be required when requested. Exceptions may be granted only for new and unique technologies and only with deviation approval from a Regional President or the Global Vice President of Operations.

Quality system documentation and records shall be available for examination by authorized Brady representatives upon request.

### 4.2 Documentation Review

Suppliers must carefully review Brady drawings and related specifications to ensure understanding and confirmation that the supplier can meet any such specifications. If clarification of requirements is needed, contact Brady before submitting a quote or producing samples or production parts.

All issues that are not covered on the existing drawings or specifications shall be communicated through a Purchase Order, a revised drawing, Engineering Change Order ("ECO") or deviation.

Drawings or specifications may only be changed through the ECO process.

### 4.3 Quality / Process Control

Suppliers are responsible to ensure all items meet Brady's specifications, regardless of their process sources (i.e. sub-tier supplier or subcontractor). Brady reserves the right to have visibility and approval of any subcontract operations or sub-suppliers.

### 4.4 Counterfeit Part Prevention

Suppliers are responsible to ensure no counterfeit parts are used in products supplied to Brady or its customers.

### 4.5 Critical Characteristics

Critical characteristics, identified by unique symbols on Brady drawings and specification are used to denote where additional submission elements, approval requirements, and/or controls exist.

Brady expects suppliers to demonstrate that processes for critical characteristics are stable and in control. Stability must be demonstrated through control charts or equivalent means.

### 4.6 Quality Planning & Records

Brady recommends that the supplier follow a New Product Development Process (NPD) as part of their Quality planning activities. Brady employs a phase-gate NPD process and expects the supplier to work collaboratively during the development of new projects.

Brady requires that the supplier use a formal product/process planning process that generates documentation called for in the Production Part Approval Process (PPAP) as part of Quality Planning on manufactured components. Qualification requirements are defined and documented by a Brady qualification team on the Brady PPAP form.

Suppliers must retain all quality system records for a minimum of 3 years after part obsolescence, unless specified or legally required to be retained longer. This includes records of process control and traceability which are vital to any required failure analysis.

#### **4.7 Material Traceability**

The supplier may be 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.

#### **4.8 Intellectual Property (IP)**

Any development or other research undertaken on behalf of Brady will be viewed by Brady to be Brady's intellectual property. Any software or other invention or discovery in tangible media will be viewed as work for hire with all the rights vesting in Brady. Additional issues with intellectual property will be provided in the Master Supply Agreement (MSA), non-disclosure agreement (NDA), or other contractual documents provided by Brady.

While partnering with its suppliers, Brady views its corporate logo and namesake as a valuable investment, one that Brady will protect. As a result, the use of Brady's name, logo, or likeness by a supplier is not allowed unless provided in writing by Brady.

#### **4.9 Cost Management**

Brady desires to do business with strategic partners that provide the best overall value. That value is defined as the highest valued products at the lowest evaluated cost. Proper management of total cost throughout the supply chain is critical to Brady and our CI initiatives.

The supplier may be required to provide full-cost disclosure to Brady. Supplier agrees to support this request and any information shared with Brady will be kept in strictest confidence.

#### **4.10 Design Support**

Suppliers may work with Brady engineers or authorized personnel, reviewing part models or component drawings. During this process, suggestions to change part geometry, materials, etc. that will allow suppliers to provide parts of higher quality or better consistency are strongly encouraged.

All collaborative design activities will be conducted under the terms of Brady's non-disclosure agreement.

#### **4.11 Tooling**

Suppliers are expected to maintain and repair tooling at their expense in order to keep it in an acceptable state capable of producing components / products that meet Brady requirements. Any specifications, drawings, information, tools, molds, masks, jigs, dies and other materials furnished to the supplier or funded or paid for by Brady (whether separate or as a part of the unit price) shall belong to Brady. These "Assets" shall be clearly marked as Brady property.

#### **4.12 Right of Access**

Brady reserves the right, upon reasonable advanced notice, to access the applicable areas of all facilities at any level of the supply chain involved in any purchase order and to all applicable records. Additionally, this access right must be granted to Brady's customers and Government or Regulatory Agency representatives.

## **5.0 Communication Requirements**

### **5.1 Supplier Communication**

Formal communication for notice provisions or for other legally significant communication should be performed in writing as prescribed by Brady.

## 5.2 Need for Purchase Order or Contract Agreement

Product specific requirements should be communicated on Purchase Orders (PO). Product drawings called out on PO's may specify characteristics that affect the fit, form, and function of the product. Acceptance of the PO is an acceptance of the standard Terms and Conditions unless a signed MSA is in place whereby the MSA takes precedence. In addition, the supplier is required to advise Brady of any delays or changes to existing or future orders in a proactive manner.

Brady will not be responsible for costs incurred without a PO.

## 5.3 Request for Quote

It is expected that the supplier will respond to requests for quotation ("RFQ") within the stated deadline or by the end of the next business day.

## 5.4 Revisions

Any revision to the product requirements will be communicated through the Brady sourcing organization using revision levels called out on PO's. It is the supplier's responsibility to review PO's 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 an updated specification from Brady. The supplier shall not deliver previous revision level components, except by written agreement with the pertinent Brady plant sourcing / quality team.

## 5.5 Invoices

Most Brady sites require invoices be sent to a Brady accounts payable email address which are paid according to the PO which requires: PO number, correct quantity, price, contact information, and sent to the correct email address. Source-to-pay (S2P) initiatives are currently underway and being deployed to increase efficiencies in this process. Should Brady alter its methodology in managing accounts payable, the supplier will be notified in advance, and Brady will provide clarification / training as deemed appropriate.

## 5.6 Requests for Information

Upon request, and within a reasonable period of time, the supplier will provide information regarding products and or product compliance initiatives as described in Brady Corporation's Global Compliance Policy, which are inclusive, but not limited to, a list of components and processes (including sub-tier suppliers), description of the product manufacturing process, country of origin (including sub-tier suppliers), harmonized tariff schedule code (HTS Code), ECCN/USML and restricted and reportable materials disclosure (RoHS, REACH, Conflict Minerals, California Proposition 65, MSDS, etc.). These items have become as important as functionality and quality in marketing products in many regions of the globe. Therefore, failure to provide the requested information can compromise Brady sales along with the pull through for the supplier. Compliance and provision of compliance information is considered a condition of doing business. For more information on or to receive a copy of Brady Corporation's Global Compliance Policy contact the Brady sourcing team.

## 5.7 Change Management Requirements

Should the supplier require a change, such requests should be submitted with a PPAP to Brady Sourcing.

## 5.8 End of Life Communication

Suppliers must notify Brady of intentions to discontinue supply of products or services at least six months before a "last time buy" order will be accepted for all Brady designed products. The supplier will continue to provide the discontinued product to Brady for a minimum of 12 months for qualification or acceptance of an alternate product or supplier. Mutually agreed terms on this requirement may be superseded by MSA.

## 5.9 Electronic Business (e-commerce)

At a minimum, all Suppliers are required be able to communicate via e-mail.

Electronic business data interchange for planning, purchase, and sale transactions will be used when beneficial to both parties. This will include, but is not limited to, electronic data transfer to exchange design, engineering, and quality information.

## 5.10 Requirements of Sub-Tier Suppliers

It is an expectation that the supplier will flow down to sub-tier suppliers the applicable requirements in the purchasing documents and terms and conditions.

# 6.0 Packaging and Logistics Requirements

Specific packaging and logistic requirements will be referenced in the product specifications, drawings, PO's and / or MSA's. Suppliers are required to use Brady freight providers. Suppliers will be responsible to adhere to all Trade Compliance laws and regulations.

## 6.1 Delivery

On-time delivery to the PO due date is an expectation and requirement to do business with Brady. On-time delivery is heavily weighted in supplier performance.

### **Product Lead-Time**

Lead-time should be agreed upon by Brady and the supplier. The supplier is expected to proactively communicate any changes to the lead-time by contacting the Brady Sourcing team member of record.

### **Shipping**

Suppliers are required to ship product via the logistical instructions and INCOTERMS that appear on the PO. Where special conditions are required, the Brady Sourcing team member of record will confirm and approve any exceptions to the normal method of transportation. Supplier is expected to immediately contact the Brady Sourcing team member of record with any carrier related problems or delays.

### **Support Documentation**

Shipments are required to have the proper supporting documentation, including, at a minimum, a packing list indicating the Brady PO number, Brady part number(s), part revision level, quantity, unit of measure, country of origin, HTS Code, ECCN, bill of lading, and box X of Y, if in multiple packages.

## 6.2 Packaging

The supplier is expected to meet the shipping, packaging, and label requirements as specified by Brady. It is the supplier's responsibility to design and develop packaging and internal dunnage to withstand the given transportation mode.

Suppliers should ensure that 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. All pallets must be ISPM 15 compliant including 10+2 ISF for ocean shipments.

# 7.0 Part Qualification

## 7.1 Production Certification Process

If a PPAP is required for a purchased part material, or product the supplier will be informed by Brady. The supplier is responsible for ensuring that the sourced product meets all the requirements identified

both on the part print and all other referenced documents. If a PPAP is required, all product is considered unapproved until the PPAP submission is formally approved by Brady Quality.

## 7.2 First Article Inspection (FAI)

Brady requires First Article Inspection (FAI) on all new parts and even changes to existing parts.

# 8.0 Corrective Action / Problem Resolution

## 8.1 Nonconformance to Product Requirements

### ***Detected at Supplier***

When non-conformance is detected, the supplier is expected to determine the extent of the problem and take prompt action to correct the condition and prevent the shipment of any non-conforming material. The supplier will notify Brady of any “use as is” or “repair” non-conformances to the requirements of the Brady Purchase Order. Dispositions should be submitted and approved by Brady prior to implementation, or before any further work is performed.

Supplier should immediately notify the appropriate Brady Sourcing team member of record of any suspected quality problems with inbound shipments and the corrective action being taken to identify the root cause and eliminate the quality problem in the future.

### ***Detected at Brady Site***

When non-conforming material is detected at Brady, a Quality Notification (QN) and Corrective Action Request (CAR) will be created and Brady Sourcing will promptly notify supplier and arrange for material disposition. Costs incurred to return or rework non-conforming material are the responsibility of the supplier.

### ***Detected through Customer Complaints***

In the event the supplier is found responsible for non-conforming product that is sent to the customer, the supplier is expected to reimburse Brady for any cost incurred, which may include shipping, handling, labor, and any administrative costs.

## **Disclaimer**

The information contained in this Supplier Manual is the property of Brady Corporation and is being provided to Suppliers for the sole purpose of providing to our Suppliers an overview of the information and requirements of Brady Corporation that are necessary to fulfill its rights and obligations in its performance of awarded contracts or purchase orders. By Supplier's receipt and retention of this Supplier Manual without written objection to Brady Corporation, it agrees that (i) the information within this Supplier Manual is proprietary to Brady Corporation; (ii) Supplier will not use this information for any other purpose. The process of this document does not compel Brady Corporation in any way. Further, additional contractual documents will govern the relationship between Brady and any potential suppliers. This document does not in any way create a contractual relationship with Brady. Information in this document may change without notice or warning and should not be relied on for anything other than general information. In the event this Supplier Manual is translated into other languages besides English, such translations are for convenience only and the English version shall control. Should there be any questions or issues, please contact a Sourcing representative from Brady.

Questions on the content of this manual should be directed to the U.S. Brady Sourcing Team  
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