



Doing business with Hypertherm

An introductory guide



Whether you are a new or existing supplier to Hypertherm, congratulations on being one of our valued partners.

Purpose of this brochure

In this brochure you will find information on what you can expect from Hypertherm and what will be expected of your organization in our business relationship. This enables your organization to begin planning and investing now to fully understand and comply with all aspects of our supplier management program. The sooner your organization begins this journey, the sooner both you and Hypertherm will reap the rewards.

Our mission

To provide Customers with the world's leading industrial cutting solutions, to promote the well-being and development of our Associates, and to enrich our communities and environment.

About Hypertherm

A partnership with Hypertherm means you are working with a company that is driven to do one thing better than anyone else. For Hypertherm, that one thing is cutting, and we have been focused on it for nearly 50 years. Every one of our Associates is 100 percent focused on developing, building, selling and servicing products that improve our customers' cutting operations. And not just any products; the most reliable, most efficient, highest performing products in the market. We recognize that the quality of products from our supply base is critical in helping us live up to these high standards. As Hypertherm continues to grow, this

becomes even more important. Begin planning and investing now so you can grow with Hypertherm.

Hypertherm core values

- Excellence in technology innovation
- Focus on the C/customer
- Honesty and integrity
- Community leadership
- Environmental stewardship
- Continuous improvement and business excellence

What Hypertherm expects of its valued partners

- On-time shipments of fully conforming product
- Compliance with all Hypertherm requirements
- Investment in training in order to fully understand and meet all Hypertherm requirements
- Prompt and effective communication (no surprises), especially as it pertains to:
 - Changes in the supplier's business that may affect Hypertherm in any way
 - Modifications to the manufacturing process
 - Emergent quality issues
 - Late shipments



- A formal part approval (PPAP) of each and every part supplied. This includes for new parts, revisions to existing parts, and changes to the processes that make the parts

- Any deviation to specifications must be approved by Hypertherm prior to shipping
- In the rare event that a non-conformance reaches Hypertherm, a Supplier Corrective Action Request (SCAR) will be issued requiring a formal written response from the supplier that includes rapid and effective containment, determination of root cause(s) and implementation of permanent corrective action

- Hypertherm requires suppliers to use the 8 Discipline problem solving methodology
- Any rework will require evidence of recertification
- The supplier may be responsible for costs associated with the non-conformance
- If excessive quality issues are experienced by Hypertherm, the supplier will be expected to put in place an effective Source Inspection process and may be put on new business hold

- Continued pursuit of waste elimination (Lean), innovations and shared cost reductions
- Documented planning for continuous improvement of processes and performance



- A comprehensive, documented quality system that ensures all materials shipped to Hypertherm conform to all requirements. This includes, but is not limited to, documented procedures and work instructions; document revision control; calibration and maintenance of measuring and test equipment; material identification, segregation and control; effective process controls; internal audits; etc.
- A strong emphasis on up front planning for quality, which should include:
 - Thorough design reviews
 - Process flow diagrams
 - Failure Modes and Effects Analysis (FMEA) and Risk Reduction
 - Control plans
 - Error/mistake proofing
 - Use of data analysis in decision-making, including: Process Capability, Measurement System Analysis, and Variation Reduction

- All product must be packaged and shipped in a way that prevents damage in transit while enabling easy removal for assembly
- Periodic on-site audits may be conducted on an as-needed basis, either in response to quality issues or in support of continuous improvement and sustainability efforts
- All documents submitted to Hypertherm must be in English
- Risk Management and Business Contingency Guidelines: Hypertherm requires its suppliers to develop a documented action plan to deal with potential disruptions in supplier operations that affect delivery
- Non-Disclosure Agreement: Suppliers are required to sign a confidentiality agreement prior to doing business with Hypertherm

If you have any inquiries regarding the contents of this brochure, please contact us at supplychain@hypertherm.com.

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One of Hypertherm's long-standing core values is a focus on minimizing our impact on the environment. Doing so is critical to our, and our customers' success. We are always striving to become better environmental stewards; it is a process we care deeply about.

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