



Supplier Management

Custom solutions for more transparency in your chain of supply



Reliable suppliers and partners contribute significantly to the satisfaction of your customers, and the success of your organization. In today's highly connected business world, your own quality ability is not enough. If you want to improve the quality of products and process chains, you need to establish relationships based on trust with your partners in the supply chain, upstream as well as downstream. A well-balanced supplier structure helps to prevent supply shortages, while a high degree of supply reliability and dependability stabilizes your own manufacturing processes.

Supplier management is a complex subject, consisting as it does of equal parts relationship management and compliance control. A process-oriented approach is just as important as trust, transparency and close interaction. DQS second-party audits enable you to accurately assess the performance of your suppliers against specific requirements defined by you and/or management system standards applicable to your industry.



How well do you know your suppliers?

The correct **selection, evaluation and qualification of suitable suppliers** is rapidly becoming a decisive competitive factor, while sustainable management is increasingly used as a benchmark for overall business success. Customers, investors and other interested parties expect an organization to take into consideration the three pillars of sustainability, which are: **ecological, economic and social responsibility**.

There's a certain amount of challenge involved in efficiently embedding suppliers into your own value generation process. Cross-border, multi-layered supply chains and the increasing complexity of supplier markets require a constant increase of transparency and ever closer interlocking of suppliers and their customers. There may be differences in language and culture on the one hand, and limited resources on the other. Add to that legal, normative and customer-specific requirements that need to be observed and fulfilled. You have to accompany outsourcing measures, initiate improvement processes and evaluate the effectiveness of implemented actions: all of which are very good reasons for a supplier or process audit.

You should care about supplier audits because...

Your customers care..

- .. about quality
- .. about sustainability
- .. about prices

Your interested parties care..

- .. about profits
- .. about compliance
- .. about reputation

Lawmakers care ..

- .. about compliance
- .. about sustainability
- .. about human rights



Ideally, supplier audits are embedded in a supplier development process, where all parties concerned work together to improve quality in the interest of the end user.



What are the advantages for your company

...of a supplier audit

- You review your portfolio of suppliers with us and prevent supply shortages
- Identification of suitable suppliers for your company, specifically to prepare a successful change of suppliers or assess a one-time supplier
- You may systematically create competition for suppliers with single source standing and improve your negotiating position
- Identification of relevant new developments in, e.g. supplier information management, performance measurement, risk management or compliance for future implementation
- Long-term observations of a specific supplier or benchmarking of several suppliers helps you to recognize if your requirements have been met or can be met in the long run

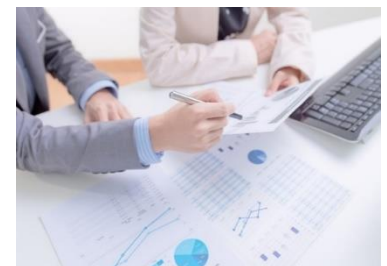
...with DQS?

You are operating in a globalized market where suppliers are often located around the globe. With supplier audits you benefit particularly from the internationality of DQS – we have offices all over the world and our auditor network spans the globe.

DQS – Global presence - Local points of contact

DQS is one of the leading certification bodies for management systems worldwide. With 85 offices in 60 countries, and 2,500 auditors and experts worldwide, DQS is your trusted partner for sustainable success. DQS Holding, based in Frankfurt, provides the strategic leadership for all DQS offices worldwide. We strive for one common goal: to improve our customers' management systems and organizational health by offering value-adding assessment services.

Our great advantage for you: all of our auditors are thoroughly familiar with their country's culture and language. We provide you with detailed and differentiating insights into local markets and are able to evaluate your international suppliers excellently – and therefore encourage and support them depending on the local circumstances. Furthermore, you benefit from the extensive practical experience of our auditors from all sectors of industry. We always provide you with auditors who have specific technical knowledge of your sector as well as your products or services.



DQS continues to set benchmarks in today's dynamic markets, auditing according to more than 100 recognized standards, industry specifications, or custom-tailored to your individual requirements.

...DQS: more than 30 years of expertise



What types of supplier audits does DQS offer?

With the help of custom-tailored, second-party audits, we put an independent set of eyes and ears on your operations worldwide. We ensure that your suppliers maintain and improve the standards you have specified. Our auditors will verify your suppliers' compliance with all applicable requirements.

DQS audits have many facets, but only one focus: to improve the value generation of your company. Based on an individual plan, our audits offer a variety of ideas and impetus to help you make the right decision, and to implement improvements in your organization.

Second-party audits will point out strengths and weaknesses, show non-conformities and highlight improvement potential. Additionally, they will help you to start communicating with your suppliers and take a joint step toward quality improvement of co-produced goods and services. Knowing your suppliers will ultimately strengthen your trust in your supply chain; a trust you can confidently display and pass on to your paying customers.

There are **many options** for you to design your supplier audit, depending on your preferences, starting from:

Using **international management system standards**, such as ISO 9001 (quality) or 14001 (environmental), or IQNET SR10 (Corporate Social Responsibility), DQS will verify the compliance of your suppliers' organization and processes, and identify areas for improvement.

Industry-specific standards aim to merge certain criteria and elements that are common to one particular industry sector, such as the chemical or automotive industries. With audits aligned to SEDEX or TfS, for example, DQS will ensure your suppliers conform to those particular requirements.

ISO 9001	ISO 27001	SA8000	TfS <small>Together for Sustainability</small>	HYGIENE	COSMETICS	Carbon foot print
ISO 14001	ISO 37001	Process Audits	SEDEX	Food	PACKAGING	Due Diligence
ISO 45001	ISO 19600	Social Compliance	AuditOne	SQMS	PHARMACEUTICALS	Asset management
ISO 50001	IQNet SR10	Ethical Compliance	LOGISTICS <small>TAPA, GDP Pharma</small>	HOTEL AND RESTAURANT	FEED	and more...

If you prefer audits to your own, specific codes of conduct, DQS offers **tailor-made customer solutions**, which can be any combination of the above with your own company's requirements for your suppliers.

Supplier evaluation	Supplier selection	Supplier development	GC Mark	Inspection	Validation	and more...
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Trust our long history of experience in management system audits to establish standardized corporate guidelines and transparency along the whole chain of supply.



What difference can DQS make in your Supply Management?

During a supplier audit, DQS evaluates not only the organizational and technical performance ability of your external providers; our auditors also identify non-conformities in processes you and your suppliers have agreed upon. Such a “vulnerability analysis“ contributes significantly to your organization’s risk assessment, e.g. in case of bottlenecks or the possible loss of a supplier. In addition, audits and evaluations of potential new partners facilitate their qualification according to customer requirements, and to stabilize your own manufacturing process.

The DQS approach: step by step

While the requirements are specific to each customer and audit, the overall audit procedure follows along these lines:

1

Preparation, where we collect a variety of information about your requirements and expectations, specifications and instructions. Based on this, we will find the most suitable audit team and create a custom checklist / questionnaire for your audit demands.

2

Initial meeting, where our auditors talk to you to determine your priorities and how to proceed with the audit at your supplier’s. This is a good time to include those suppliers in the planning and to make them aware of the benefits.

3

Audit conduct, where we check your supplier based on the agreed-upon checklist. This can include technical, administrative, or process requirements. The auditors then compare each supplier’s current set-up with your requirements.

4

Audit report, where our auditors present your supplier’s performance based on the defined criteria. These can also provide the basis for continuous supplier development from audit to audit.

5

Follow-up, action where you discuss our auditors’ findings with your supplier and determine any need for action and deadlines.

... focus on the needs of your customers and stakeholders



Talking about... Sustainability

If sustainability is important to you, it should also be important to your suppliers, because sustainability starts with them.

Customer requirements are usually founded on an individual Code of Conduct, which reflects the customer's values and usually includes all the aspect of sustainable management. Suppliers are usually asked to accept these codes, and to act in harmony with them. If you want to maintain control of your own organization's sustainability, you have to know the environmental and social risks in your chain of supply, and develop measures to effectively manage your suppliers in this respect. Quality management and your customers expect you to handle this responsibly, and to provide evidence.



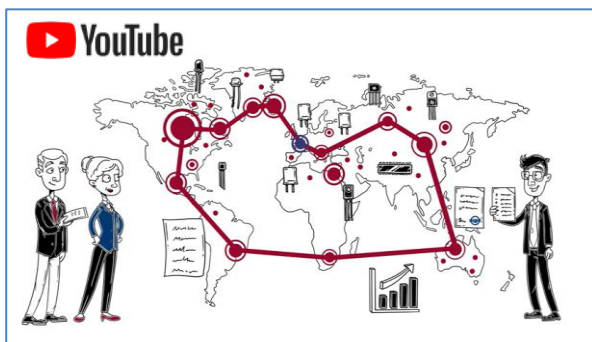
The multiplicity of customer requirements, standards, management tools and recommendations for action can make it difficult to determine what is really important, and to focus on the needs of your customers and stakeholders. DQS experts and auditors can help you identify which environmental, social, or compliance factors pose the most risk in your chain of supply, and which of the many standards for sustainability is the most relevant.

Everybody is talking about CSR... but what is it? Corporate **S**ocial **R**esponsibility is the term used to describe the accountability an organization has for the impact of its business activities on society. From this responsibility arise voluntary measures designed to support sustainable development. CSR is based on the three pillars of sustainability and therefore includes all ecological, economic and social aspects of corporate management. In turn, these pillars are founded on the UN Global Compact, the OECD Guidelines, and the ILO Declaration of Principles. The question of adherence to these requirements links CSR directly with matters of credibility and compliance, two significant aspects of supplier audits.

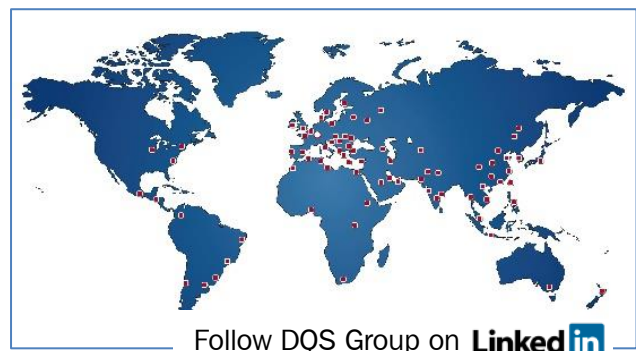
Where to find us

Please contact the local DQS office in your area. The list is available online at the Group website [here](#)

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DQS can help you achieve!**



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