



Date: Mar 02, 2009  
To: ABB Direct Component & Build  
Subject: OPEN LETTER – 8D - Root Cause Analysis & Corrective Action for Non-Conformances

Dear Valued Supplier:

It has long been a requirement of ABB Inc., that our suppliers perform thorough root cause analysis, and implement effective corrective actions for non-conformances identified by ABB. ABB will now implement the supplier Permanent Corrective Action (PCA) process via an 8D process: Problem Solving Report.

- In an effort to improve the quality of products received and to eliminate recurring non-conformances, ABB Inc. is now requiring all suppliers to submit to ABB evidence of their Root Causes and Corrective Actions for all nonconformance's as stated in Supplier Quality Guideline letter dated June 2008.
- You must identify the root cause of the problem and further diagnose why your Quality System permitted the nonconformance to remain undetected prior to shipment to ABB.

Please use ABB's SCAR (Supplier Corrective Action / 8D Report), Form **3.03.P01.F06**

- Note; it is recommended that whenever possible, the result of your root cause analysis and corrective action plan be presented in person at the ABB location issuing the notification.
- In the event you feel that the nonconformance is unwarranted or otherwise caused by a failure within ABB's quality system, please contact your ABB Sourcing representative immediately with documented evidence.
- Please refer to the Notification Number identified at the top of the Corrective Action Report in your correspondence to ABB regarding the nonconformance.

ABB Sourcing and Supplier Quality Engineering utilize an escalation process to highlight delays or failures within our supply base related to completion of the SCAR Form.

- A full response with known root cause(s) and permanent corrective action is required within twenty (20) calendar days.
- After a SCAR due date has lapsed for more than twenty-four (24) hours, the issue escalates to the Sourcing Agent responsible for the purchase category.
- After five days, failure to complete the SCAR escalates to the Director level for resolution.

If performance remains problematic:

- Restriction from participation in new product development or additional business opportunities can result.
- Further, additional cost for 3<sup>rd</sup> party inspection of component or material lots to ensure supply continuity can result.
- Any such cost will be automatically debited to the supplier until confidence is regained in the supplier's ability to perform effective Root Cause Analysis and implementation of suitable Corrective Action.

Completion of the SCAR (8D Report) is a top priority. Achieving top performance requires expert adherence to this important process.

Your immediate attention to the subject matter is appreciated. As always, write or call with questions or clarification.

Regards,

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