



# Supplier Manual

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# Welcome to Zip Water

Zip Water has been creating and manufacturing Australian designed and made water systems since 1947. With unrivalled expertise in instant filtered boiling, chilled and sparkling water taps, Zip Water is known globally for being home to the world's most innovative and advanced drinking water systems.

Today, Zip Water are proud to provide homes and workplaces in over 70 countries across the world with pure-tasting water from our range of stylish Zip HydroTaps.

**1947** Zip Water founded in Australia as a manufacturer of sink & bath heaters

**1975** Zip Water introduces the world's first small On-Wall instant boiling water system

**1980** Miniboil On-Wall instant boiling water launches for residential kitchens

**1984** Zip Water Miniboil wins Australian design award

**1988** Zip Water specified into Parliament House, Canberra

**1991** Zip Water opens in the UK and soon wins a place in 10 Downing Street

**1993** Zip Water upgrades technology for Hydroboil On-Wall instant boiling water

**1996** Zip Water launches HydroTap underbench instant boiling water

**2004** Zip Water HydroTap redesign wins Australian Design Mark

**2007** Zip Water launches advanced electronically controlled Hydroboil

**2012** Zip Water launches world's first boiling, chilled and sparkling water on tap

**2014** Zip Water launches G4, the fourth generation of HydroTap

**2015** Zip Water launches Design Range with three new styles

**2016** Zip Water introduces eight new platinum finishes

**2017** Zip Water launches Celsius All-In-One Arc

**2018** Zip Water launches HydroChill high capacity sparkling systems

**2019** Zip Water launches Micro, our smallest drinking water system

**2020** Zip Water launches HydroTap Touch-Free Wave, a 100% contactless solution

**2021** Zip launches HydroTap G5, the fifth generation of HydroTap and UltraCare

**2022** Zip launches Arc Plus and Cube Plus

**2023** Zip debuts world's first Celsius Plus All-In-One Pull-Out, featuring an integrated hose system and sprayer

Headquartered in Sydney, Zip Water has also established a name around the world including the UK and the US. Across Australia, Zip has a network of more than 300 trained service technicians providing installation, maintenance and service.



# About Us

Zip Water is part of Culligan International, a US based worldwide leader in water treatment solutions, making us a truly global solution for all water requirements.

## Our purpose

We make a real difference to the health and wellness of people throughout the world by providing clean, safe, great-tasting water. It's our passion, our purpose, and our commitment.

We are passionate about water because we are passionate about people. Because water is a need we all share, no matter who you are or where you come from. It's a common bond that helps us thrive as individuals and as communities, and it's something everyone should be able to access.

## Our values

We are guided by our purpose and our values which are the foundation to our unique culture.



### CONSUMER COMES FIRST

Everything Zip Water do is focused on helping people. That means Zip Water always strive to put consumers first, hear and understand their needs, and seek out ways to both serve and delight them whenever possible.

### COMMITMENT TO INNOVATION & SUSTAINABILITY

Zip Water are constantly striving to create better ways to deliver clean water. And Zip Water believe that the best way to stay ahead of the changing world is to see it through the eyes of others, to Zip Water! come new experiences and knowledge, and to constantly work to improve and grow.

### CULLIGAN AS ONE

Zip Water support every member of the Culligan family, regardless of race, gender or identity. Throughout our company, Zip Water encourage everyone to volunteer their knowledge and skills, share their unique stories and learn from those around them, including successes and failures.

### COURAGE TO DO WHAT'S RIGHT

Zip Water believe that what's right for people is right for companies. Zip Water value and embrace diversity and respect for our fellow humans, always act ethically in our business practices and make sustainability a key focus of everything Zip Water do.

### CONSISTENTLY DELIVER EXCEPTIONAL RESULTS

Zip Water believe that water needs to be great every single glass, every single day, for every single person. Zip Water are committed to improving every part of our process by creating an atmosphere that encourages people to grow and succeed, following through on our word, and being accountable for our actions.



# 1. Introduction

## Our partners

Zip Heaters (Aust) Pty Ltd (trading as Zip Water) believes in the value of our supply partners. Zip Water strive to have strong established relationships. Zip Water relies on its Supplier Partners to provide material, products and services to meet all the requirements of our agreements, contracts, applicable specifications, as well as the quality management requirements listed in this Supplier Manual. Zip Water are here for the long term and Zip Water commit to pay our Suppliers on time, as agreed.

## Objective

The purpose of this Supplier Manual is to layout to Zip Water suppliers the core requirements that must be met in terms of their quality management system, conduct, performance and development. This manual describes what Zip Water expects its partners to do to ensure that all Zip Water requirements and expectations are met. The provisions in this manual must be read in conjunction with the Culligan Group Supplier Code of Conduct provided by our parent company Culligan International.

## Expectation

The described actions within this this manual are expected and necessary with a level of agreed and acceptable flexibility that must ensure compliance.

# 2. Code of Conduct

Zip Water requires all its supply partners to ensure their operations are conducted in a manner which is ethically, legally, environmentally and socially responsible at all times, while meeting the requirements of this manual including those requirements set out in the Culligan Supplier Code of Conduct.

If there is any conflict or inconsistency between a requirement under this Manual and a requirement under the Culligan Supplier Code of Conduct relating to any subject matter, the Supplier will be responsible for complying with the most onerous requirement of the two. However, in the event of an irreconcilable conflict or inconsistency, the Supplier must comply with the requirement provided under this Manual insofar as it relates to Products or Services to be delivered to Zip Water.

The principle requirements are:

## Ethically

Partners will conduct their business in a manner that meets the high level of Ethical Behaviour expected by Zip Water. Any evidence of corruption, bribery, improper advantage, or any other form of illegal practice by the supplier or associated operations will terminate all relations with Zip Water.

Partners will ensure the confidentiality of all Zip Water contracted products, services or new products or new services under development and related information, as well as shared intellectual property.

## Legally

Partners must adhere to all local, state and federal laws and regulations of the country in which they reside.

## Environmentally

Partners will maintain and operate its facilities and processes in accordance with the local, state and federal environmental, health and safety laws and regulations of the country in which they reside.

Zip Water expects you to develop and apply processes and techniques to minimize environmental impacts and risks and to improve your environmental performance. This also applies to the management of other resources and waste prevention.

Zip Water has committed to a number of nationally recognised sustainability targets. Zip Water are also a member of the Australian Packaging Covenant Organisation (APCO) and commit to targeting 100% reusable, recyclable, or compostable packaging and 50% average recycled material content included in our packaging.

Zip Water expects its suppliers to establish a culture of continuous improvement and processes to help Zip Water monitor and achieve its sustainability targets. For more information visit [zipwater.com/sustainability](http://zipwater.com/sustainability).

## Socially

In accordance with any local, state and federal laws and regulations of the country in which they reside:

- **Diversity, Equity & Inclusion:** partners will not discriminate against sex, race, colour, age, physical disability, political affiliation or any other defining characteristic that is prohibited. Zip Water expect our suppliers to promote and ingrain diversity, equity and inclusion within their business.
- **Labour:** partners will not employ workers of minimum legal age; partners will not engage in forced or slave labour; partners will not exceed the daily or weekly working hours permitted; partners will compensate workers accordingly, including minimum wage, overtime and benefits.

# 3. Supplier Requirements

## 3.1 Quality Management System Requirements

Whether you supply Zip Water with products or services, QMS must be externally certified to the latest version of ISO 9001 or, at a minimum, have a system certified as being complete to this standard by a reputable certifier approved by Zip Water.

All Zip Water partners understand and agree that it may be subject to audits by Zip Water at reasonable times. During an audit, partners are required to grant Zip Water the right to review the supplier’s quality management system, and/or manufacturing and/or operating process for specific product or service issues at the suppliers work site.

## 3.2 Supplier On-Boarding Process

All suppliers of goods and services to Zip Water must be qualified suppliers. The extent of the qualification process is dependent upon the criticality of the good or service purchased and other factors determined by Zip Water.

The qualification process in its most complete form consists of four parts:

- a. A Commercial Assessment, completed by the supplier, for general information on the company location, size, capability and financial stability; and
- b. A Technical Assessment where samples and/or case studies may be requested for technical capability review.

Further progression will require:

- c. A Quality Management System self-assessment completed by the supplier, using the Zip Water supplier assessment survey form.
- d. An on-site assessment by Zip Water personnel or their authorized agents, involving
  - I. A business assessment to determine whether the supplier has financial resources, production capacity, and other business resources needed to fulfil Zip Water’s production needs.
  - II. A quality assessment to determine the supplier’s quality management system is in place and functioning effectively; and

A technology assessment to determine whether the supplier has the needed technical resources, including production and inspection equipment, facilities, engineering resources, etc.

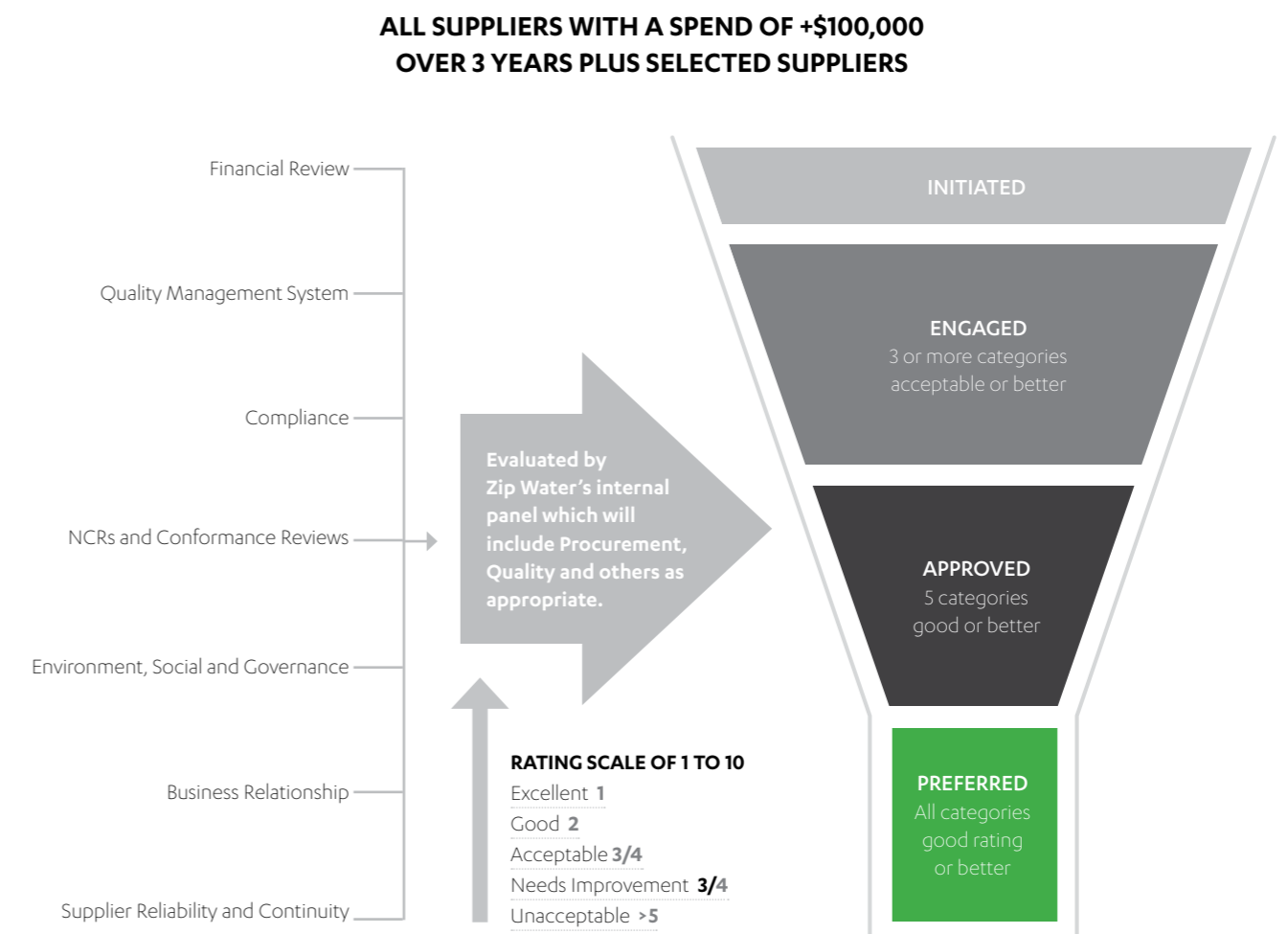
Zip Water periodically re-evaluates suppliers using quality performance data and/or on-site assessments.

## 3.3 Supplier Business Review Process

Once a company has been identified as a supplier to Zip Water, they will participate in the ongoing Supplier Business Review Process which is an evaluation and rating of their performance as a valued business partner.

There are 7 areas that are focused on by the process as highlighted in the diagram below. Through ongoing measures and monitoring, each area is rated between 1 and 5, with the result of the review allowing the supplier to be given a status as either a Preferred Supplier, Approved Supplier, Engaged Supplier or Initiated.

The reviews are conducted by a cross-functional team at Zip Water, and reviews can be conducted by the supplier with the Zip Water procurement and quality teams with the target of improving their status on an annual basis.



### 3.4 Product Requirements

#### Product Qualification

The supplier is responsible for submitting all First Article inspection data (FAI) requested by Zip Water on the first article requirements checklist. Zip Water and the supplier will agree on the number of the samples required to support this. Where possible, all qualification documents should be submitted to the appropriate supplier quality engineer in electronic format.

Data required may include some or all of the following:

- a. Product Feasibility Analysis (PFA)
- b. Design Verification and DFM sign-off
- c. Moulded or Die cast parts FPR (where applicable)
- d. Production layout
- e. Process flowchart
- f. Equipment testing and gauge list
- g. FMEA
- h. Control Plan
- i. Standard Operating procedures
- j. Standard Inspection procedures
- k. Production, QC and traceability records
- l. First PO material Incoming QC
- m. Pilot run Verification test
- n. Any other specific requirement determined as critical.
- o. In some cases, Zip Water personnel may wish to be present during the initial production run.

#### Delivery Requirements

The packaging of each product delivered to Zip Water must have a label or sticker applied detailing the following information:

- a. PO number
- b. Zip Article Number/Manufactures Article Numbe
- c. Description
- d. Batch/Lot number
- e. Bar codes for the all the above numbers



### 3.5 Supplier Product Compliance

Zip Water has a responsibility for the regulatory compliance of the products it manufactures, and as part of that responsibility, Zip Water require our suppliers to take the same approach. The required Certifications or Product Approvals will be prescribed.

Zip Water will define the specifications to our suppliers in one of the following formats:

	Product, component or assembly	Specification/Drawing
1	Zip Water designed components	Zip Water Drawing is the specification document
2	Zip Water designed components as complete assemblies	Zip Water Drawings and BOM's with assembly spec/instruction (when required)
3	Off-the-shelf component or assemblies (eg. compressors, filters and screws)	Supplier drawing or specification document or both
4	Finished saleable product	Supplier Drawings & Spec sheets and / or Zip Water brand aligning document spec

Partners must adhere to all relevant local, state and federal laws and regulations of the place in which they reside and of the place of destination or delivery for the products or services acquired by Zip Water insofar as those products or services are concerned.

Partner must also ensure they meet all relevant compliance requirements, including procuring and maintaining all relevant authorisations and certifications that are critical to quality (CTQ) such as measurements, dimensions characteristics and method used for making such determination, for every product that is delivered to Zip Water.

These could include, but are not limited to:

- WRAS Compliance
- NSF Compliance
- BS 6920 Compliance
- TMV2 / TMV3 Compliance
- IPC-610
- RoHS Compliance
- WEEE Compliance
- REACH Compliance
- Watermark Compliance
- EMC
- Electrical Safety



### 3.6 Drawing Control

The supplier must have a documented system for assuring the latest Zip Water drawings are in effect at their facility for all parts shipped to Zip Water. Any exceptions to this must be approved by Zip Water Procurement.

Such as system must include:

- A documented procedure that describes the method used for the receipt, review, distribution and implementation of all changes to drawings and specifications, both Zip Water and their own drawings.
- The control of obsolete drawings.
- A Change Process. Change requests must be submitted using the Supplier Change Request (ECR) form and approved by Zip Water. The originator of the ECR must include the part number, description, drawing number, description of change and reason along with a proposed effective date.

**NOTE: Suppliers may not make any changes in their process, location, material, sub supplier or to parts without written approval from Zip Water.**

### 3.7 Tooling Control

The supplier must have a control system for assuring that tooling sourced for Zip Water is exclusively used for this purpose. Tools are to be maintained for the agreed life of the tool and issues raised should any occur that prevent the tool from being used for the agreed life.

### 3.8 Corrective Action System

A supplier must have a Corrective Action system for use when problems are encountered within their manufacturing facility or after nonconforming product has been shipped to Zip Water.

The corrective action system utilized should follow the process outlined below.

Use a team approach to

- Describe the problem
- Identify impacts
- Contain the problem
- Identify and verify root causes(s)
- Implement permanent corrective actions
- Verify corrective action effectiveness
- Close the corrective action

The focus should be on identifying the root cause(s) of the problem and taking action to prevent its recurrence.

#### **Non-conforming parts at Supplier Premises**

It is expected that substandard parts will be, where possible, contained within the supplier's facilities. Where this does not occur, immediate notification must be sent to Zip Water to ensure the sub-standard parts already shipped are identified and quarantined pending further action.

#### **Non-conforming parts at Zip Water Premises**

For nonconforming parts identified at Zip Water's premises notification will be sent to the supplier, either written or verbal.

In either case:

- Investigation of the scope and any recommendations on quarantine will be made by the supplier within the first 48 hours.
- Root cause analysis response shall be made within 5 working days unless otherwise agreed by Zip Water.
- Permanent corrective action recommendations will be made within 10 working days unless otherwise agreed by Zip Water.



### 3.9 Concession / Deviation Requests

A supplier is never permitted to knowingly ship product that deviates from the design or specifications. Should product be manufactured outside of specification that the supplier wishes to ship for a given reason, a concession from Zip Water Quality must be applied for in writing providing at least the following.

- The reason for the concession application must be reasonable and limited to a specific manufacturing issue.
- Consideration of a concession may require data and / or samples for evaluation.
- Any testing cost may be charged to the supplier at the discretion of Zip Water.
- All product affected must be suitably quarantined and labelled by the supplier.
- Approval or rejection of a concession will be provided by Zip Water in writing

Any concession granted is temporary and must not be construed as an Engineering change.

### 3.10 Supplier Performance and Development

Zip Water believes that its supply partners are a truly important factor in the success of its business, therefore the rating of a supplier's performance in relation to Quality, Delivery and Process Continuous Improvement has a goal of developing overall performance. A Supplier Dashboard, Supplier Score Card or another quality or rating tool will be used at Zip Water's discretion.

These measures will be discussed at regular Intercompany Review Meetings that will include but will not be limited to Daily Operations, Service levels, KPIs, VAVE, Nonconformances, continuous improvements.

Some examples of measures that Zip Water would consider depending on whether a supplier provides goods or services are:

- less than agreed DPPM, against specification
- No YOY repeat nonconformances
- Kanban availability of 98% for A-Class material, 95% for B-Class and 93% for C-Class
- Achieve and maintain all relevant part Certification
- DIFOT Target >98%
- Maintain YOY QMS Certification
- 6 monthly product and/or refresher training on components and handling as required
- Nonconformance resolution within 5 business days following the nonconformance notification.
- Currency and control of all specifications and drawings
- Golden Samples available for each component supplied to Zip Water
- Business Continuity Plans in place for supply
- Compliance to the agreed scope of work
- Proactiveness in Continuous Improvement for the Product or Service

Through such performance measurements, Zip Water's Supplier Development Programme is designed to improve both Zip Water and its Supply Partners operations in all areas of business, including new product

development, engineering, quality, sustainability, communication, performance, delivery and total cost through the implementation of a Lean Manufacturing programme, in collaboration with other quality improvement tools.

In developing a Continuous Improvement Plan both Zip Water and its partner will share the process of:

- Identifying opportunities for improvement
- Jointly create a plan for the improvement
- Implement and execute the improvements by priority
- Review and assess the improvements by analysis of results

Both parties will agree on a case by case basis how the savings generated by a CIP will be shared in the way of a Price Review. Any agreed product design change must be agreed as 'fit for purpose' by both parties before release. Any continuous improvement initiative must ensure the continuity of any Product approvals already agreed and in place.



# Appendix

## Supplier Business Review Questionnaire

Legal Compliance	Yes	No	Support Attached
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**A1** Does your organisation comply with all laws and regulations applicable to its business?

If you are an Australian Company, please complete the all sections of this questionnaire including Modern Slavery Act. If you are an Offshore supplier, please complete all sections except section B and proceed to section C Human Rights.

The Modern Slavery Act 2019 ("The Modern Slavery Act") requires all organisations carrying out business in the Australia with an annual turnover of \$100million or more to comply with the requirements of the Modern Slavery Act.

Modern Slavery Act	Yes	No	Support Attached
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**B1** Is your organisation required to comply with the requirement of the Modern Slavery Act?

If you have answered 'yes' to question B1 above, please answer questions B2 to B9 below and the questions in Sections C, D and E.

If you have answered 'No' to question B1 above, please ignore questions B2 to B9 below and answer the questions in Sections C, D and E.

<b>B2</b> Has your organisation undertaken a risk assessment to assess the risks of modern slavery in its supply chain?			
<b>B3</b> If your answer to question B2 above is 'no', does your organisation intend to undertake a risk assessment?			
<b>B4</b> Has your organisation published a Modern Slavery Act Statement?			<input type="checkbox"/>
<b>B5</b> If your answer to question B4 above is 'no' does your organisation intend to publish a Modern Slavery Act Statement?			
<b>B6</b> Does your organisation have procedures in place respond to incidents of modern slavery?			
<b>B7</b> If your answer to question B6 above is 'no', does your organisation intend to put measures in place to respond to incidents of modern slavery?			
<b>B8</b> Does your organisation have procedures in place to manage the risks of modern slavery in the supply chain?			<input type="checkbox"/>
<b>B9</b> If your answer to question B8 above is 'no', does your organisation intend to put measures in place to manage risks of modern slavery in the supply chain?			

Human Rights	Yes	No	Support Attached
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**C1** Does your organisation have polices and processes in place prohibiting child labour, the exploitation of workers, the use of forced and compulsory labour and human trafficking in its business and across its supply chain?

**C2** Does your organisation have an equal opportunities policy which prohibits any form of discrimination in the recruitment, compensation, promotion, access to training, termination and retirement of employees?

**C3** Does your organisation respect the right of employees to exercise their rights of free association, union membership and other forms of collective bargaining?

**C4** Does your organisation provide a safe and hygienic working environment, bearing in mind the prevailing knowledge of the industry and of any specific hazards?

**C5** Does your organisation provide a working environment free from physical, psychological and verbal harassment and other forms of abusive conduct?

**C6** Does your organisation have a drug free policy and maintain a workplace free from illegal drugs?

**C7** Does your workplace comply with relevant working time and minimum wage regulations?

Quality	Yes	No	Support Attached
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**D1** Does your company have either of the following?  
 ISO 9001 Certification       Equivalent third party Certification

**D2** Does your company sub-contract quality inspections, assessments and auditing? If so, to who?

**D3** Does your company sub-contract any product manufacturing activities (other than the ones referred immediately above)? If yes, specify which ones and to who? sub-contract

**D4** For how many years does your Company retains the Product Quality Records? - For\_\_\_years

Conflict Minerals	Yes	No	N/A	Support Attached
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**D5** Does your organisation have; (i) Supply chain policies in place to avoid the purchase and/or use of conflict minerals (tin, gold, tungsten and tantalum) and;

(ii) Processes in place to determine whether products contain conflict minerals?

Counterfeit Materials and Third Party Original Content	Yes	No	N/A	Support Attached
<b>E1</b> Does your organisation have in place written procedures for the detection and prevention of counterfeit products and parts in the supply chain?				<input type="checkbox"/>
If your response to question E1 is 'yes', please answer questions E2 and E3 below				
<b>E2</b> Are your counterfeit materials procedures aligned to an international standard?				
<b>E3</b> Do you audit your suppliers for compliance with such standards?				

Environment	Yes	No	Support Attached
<b>E4</b> Does your company have a formal environmental policy ?			<input type="checkbox"/>
<b>E5</b> Does your organisation calculate its GHG emissions? If Yes please provide relevant metrics and data?			<input type="checkbox"/>
<b>E6</b> Does your organisation calculate product emissions? If Yes please provide relevant metrics and data?			<input type="checkbox"/>
<b>E7</b> Does your company have public goals or targets to reduce greenhouse gas emissions and/or energy?			<input type="checkbox"/>
<b>E8</b> Does your company report greenhouse gas emissions or energy?			<input type="checkbox"/>
<b>E9</b> Does your organisation track water and waste?			<input type="checkbox"/>
<b>E10</b> Do you hold relevant environmental certifications? For example ISO14001			<input type="checkbox"/>
<b>E11</b> Has your company obtained external certifications related to business ethics issues? For example ISO27000, anti-corruption certification schemes?			<input type="checkbox"/>

Sustainable Procurement & Packaging	Yes	No	Support Attached
Has your company obtained any certification regarding sustainable procurement?			<input type="checkbox"/>
Have you reviewed your product packaging to identify sustainable opportunities such as optimising material efficiency or reducing packaging waste?			
Have you investigated the use of recycled materials, renewable materials or materials that can be captured at the end use for recycling?			
Have you engaged your suppliers regarding the sustainability of your packaging?			
Are you a member of a packaging scheme or association?			<input type="checkbox"/>
Do you have formal targets to reduce packaging?			<input type="checkbox"/>
Are you working with suppliers on packaging design for transport efficiency?			

Social & Other	Yes	No	Support Attached
Does your company have a formal DEI policy?			<input type="checkbox"/>
Do you have a supplier diversity program in place or other actions designed to advance diversity in the supply chain?			
Does your company have a publicly available sustainability report?			<input type="checkbox"/>

Culligan Supplier Code of Conduct	Yes	No	Support Attached
Has your company read and agrees to comply with the Culligan Supplier Code of Conduct to the extent required under this Manual?			<input type="checkbox"/>

Completed by	
NAME:	
POSITION:	
SIGNATURE:	
DATE:	/ /





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