



NI Supplier Handbook

We believe in customer centric, forward thinking, and sustainable value creation



Foreword

At NI, we Engineer Ambitiously. We celebrate creative problem solving. We believe in the power and potential of making connections—between people, ideas, and technology. In fact, connection is central to everything we do. We constantly challenge ourselves to find those connections because that's what creates a path forward for you to engineer the extraordinary today, tomorrow, and for the next 100 years.

This means bringing the right people together to build solutions that make a difference. It means combining fresh perspectives with new technologies to turn a customer's vision into reality. To this end, NI recognizes that success in this endeavor is made possible by a strong supply base – so much so that supplier success is necessary in achieving our mission.

For more than four decades, we've set the standard in automated test and automated measurement systems. We're proud to partner with talented engineers and customers using our systems to solve the world's most pressing technology challenges and build better businesses. From data and automation to research and validation, our tailored, software-connected approach is rooted in helping customer's engineer what's next.

The relationship between NI and our supply base is built on mutual trust, integrity, and commitment to world-class performance. We believe in customer-centric, forward-thinking, and sustainable value creation. And consequently, NI seeks business with suppliers who are leaders in providing competitive solutions in the areas of productivity, quality, delivery, and innovation. Additionally, NI is working diligently with our suppliers, and partners to build a society that works for all of us and a healthy planet that sustains us, for the next 100 years and beyond. We call on you to provide innovative technical and supply solutions and to be a thought leader in your industry thereby proactively sharing openly best practices with your business partners to both companies' advantage while meeting NI's business requirements. NI is committed to a partnership and to help your organization succeed. Let's Engineer Ambitiously.

Best regards,



A handwritten signature in black ink that reads "James W. Thornton". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

James W. Thornton

Sr. Director, Head of Global Procurement

NI Corporate Citizenship

At NI, we are committed to being a responsible corporate citizen to our global communities and four key stakeholders: customers, shareholders, employees, and the community. Our employees across the globe connect people, ideas, and technology, and together with our customers we take on humanity's biggest challenges. This collaboration leads to shared value, both financially and socially, for all stakeholders. In addition, we work to reduce the environmental footprint of our facilities and across our value chain. We are proud of our long-standing corporate culture that encourages fun, innovation, and community involvement while maintaining the highest standards of integrity, ethics, and legal compliance.

NI works with suppliers who are equally invested in being responsible corporate citizens. Suppliers sign the NI Supplier Code of Conduct (more information below) as an acknowledgment of this commitment, which includes ongoing ethical labor, environmental, health, and safety programs.

NI Global Legal Compliance

NI Conducts business responsibly and in compliance with the legal requirements and governmental regulations of the countries in which we operate. We have set ourselves company-wide Business Conduct Guidelines that require all NI staff to behave in an ethical, law-abiding manner. Therefore, NI will under no circumstances tolerate illegal or non-compliant behavior. Equally, NI expects its partners to comply with all applicable laws, regulations, and guidelines.

Code of Ethics

The purpose of the NI Code of Ethics is to clarify specific policies observed by National Instruments' employees and Board of Directors. We consider our high standards of honesty and integrity to be one our greatest corporate assets. Additionally, we hold our suppliers to the same high ethical standards we follow ourselves.

investor.ni.com/corporate-governance/code-of-ethics

Procurement Terms and Conditions

NI has standard terms and conditions that apply to all POs and business agreements. If you do not have a copy of the latest terms and conditions applicable to your order, please contact your NI buyer for another copy or visit. PO confirmation constitutes acceptance of the applicable terms and conditions.

www.ni.com/content/dam/web/pdfs/WW_Procurement_Terms_and_Conditions_2022_July_en.pdf

Non-disclosure Agreement

You, as a supplier, may be asked to sign a non-disclosure agreement, depending on the level of technology or information disclosed during the course of business. NI has a non-disclosure agreement template, and it is our practice to use our template. Information provided to suppliers such as drawings, specifications, procedures, schedules, or forecasts may be considered proprietary and confidential to NI. Suppliers shall not transmit or disclose this information to any third party, and shall not use this information, except in accordance with the terms of the non-disclosure agreement.

Supplier Code of Conduct

NI expects our suppliers to be responsible global citizens by adhering to the laws and regulations in the countries where they do business. Furthermore, to meet our minimum expectations, our suppliers are required to comply with the Responsible Business Alliance or RBA Code of Conduct. This code ensures the fair treatment of workers to prevent forced labor and human trafficking, a healthy and safe work environment, the protection of the environment, and outstanding business ethics. Citizenship surveys completed by suppliers are meant to evaluate a company's sustainability in the areas of energy and climate, material efficiency, natural resources, people, and community. Supplier progress in these areas is monitored.

www.responsiblebusiness.org/standards/code-of-conduct/

Environmental Protection

NI is committed to utilizing and maintaining ISO 14001 certification, an environmental management system for its end-to-end business operations that complies with all applicable legal environmental regulations and other requirements, prevents pollution, and continually improves environmental performance through regular reviews of environmental goals, objectives, and targets. Our collective commitment toward environmental awareness and improvement enables us to have a long-term positive impact on our customers, surrounding communities, and business relationships by designing and manufacturing environmentally friendly products. For more information regarding our environmental protection and corporate impact initiatives, please visit the NI Corporate Impact page. www.ni.com/en-us/about-ni/corporate-impact.html

Conflict Minerals

NI's policy is to avoid purchasing components that contain minerals obtained from conflict sources and to comply with conflict minerals laws such as Section 1502 of the U.S. Dodd-Frank Act. NI contracts with third parties to collect additional details on the sources for its components containing conflict minerals and expects our suppliers to respond to such requests by the provision of a Conflict Minerals Reporting Template or CMRT. Every new supplier to NI will be assessed for its ability to annually provide an

Conflict Minerals, continued

updated CMRT including reliable data regarding country of origin for conflict minerals. In the event that minerals from conflict sources are found in the NI supply chain, appropriate actions will be taken in a timely manner to resolve the situation which may necessitate actions from our suppliers. NI expects its suppliers to react the same way and communicate this policy to all of their suppliers and partners. www.ni.com/en-us/about-ni/corporate-impact/engineering-a-healthy-planet/product-life-cycle/managing-critical-substances.html

Conflict of Interest

All employees are always obligated to act in the best interest of their company. Therefore, a conflict of interest exists if the interests of an individual or his/her close relations diverge from those of the company to which the individual belongs. Conflicts of interest can obstruct the success of a company, lead to economic damages and/or tarnish NI's and our partners/supplier's reputation if they become public, for instance, if the conflict of interest leads to uneconomical or unethical decisions, if customers get lost because they lose confidence in the integrity of the company or if restricted information is disclosed as a result. In some cases, conflicts of interest might also hold corruption or antitrust risks. Consequently, employees should have no relationship, financial or otherwise, with anyone that conflicts, or appears to conflict, with the employees' obligation to act in the best interest of their company. Therefore, it should be NI and our partners common goal to avoid situations of conflicts of interests and to create awareness for such situations.

Respect Data Privacy

Personal data is information about specific, identifiable persons, such as name and address, phone numbers, bank data, digital identifiers, health data, and photos. The protection of personal data is becoming increasingly critical in our digital world. The loss or improper use of personal data may result in serious consequences for the individuals concerned. Therefore, it is important for NI and our partners to ensure that this data is effectively protected and used only for legitimate purposes. For more details regarding our data privacy policies, please visit our NI Corporate Impact Page or the NI Corporation Privacy Statement.

www.ni.com/en-us/about-ni/corporate-impact/reporting-and-governance.html
www.ni.com/en-us/about-ni/legal/privacy-statement.html#:~:text=We%20may%20disclose%20your%20Personal,marketing%20purposes%20without%20your%20consent.

Export Control and Customs Regulations

It is the policy of National Instruments (NI) to comply with all applicable import and export trade compliance laws and regulations, as well as other mandatory trade sanctions, in the countries in which NI and our partners conduct business. This includes, without limitation, the export control laws and regulations of the United States, European Union, United Kingdom, and Malaysia.

NI also participates in voluntary supply chain security programs such as Customs - Trade Partnership Against Terrorism ("C-TPAT") in the United States and the Authorized Economic Operators ("AEO") programs internationally and we encourage our partners to do the same. For more details regarding this topic, please visit the Trade Compliance page and NI Management Policy on Export and Sanctions Compliance.

www.ni.com/en-us/about-ni/legal/export-compliance.html

www.ni.com/content/dam/web/pdfs/legal/trade_compliance.pdf

Antitrust Laws and Intellectual Property Rights

NI conducts business responsibly and in compliance with the legal requirements and governmental regulations of the countries in which we operate. Therefore, NI expects its partners to comply with all applicable laws and regulations and subsequently including antitrust laws, intellectual property rights, and other fair competition acts.

Antitrust laws protect free, undistorted, and effective competition for the benefit of customers, companies, and society as a whole. Antitrust laws, amongst others, prohibit agreements and concerted practices between companies that restrict competition. Anticompetitive agreements include bid rigging, price agreements (fixing), market, customer, or territory allocations, and project agreements with competitors. Abusing a dominant position is also prohibited. NI has a strict policy to act in compliance with antitrust laws and expects all partners to do the same.

Additionally, NI expects all partners to handle confidential information from NI and third parties, such as competitors, customers, and sales partners, with care. Furthermore, NI expects its partners to respect intellectual property rights of others, e.g., copyrights, patents and, trademarks and trade secrets and to act within the limits of licenses granted (e.g., with respect to software).

Prohibition of Money Laundering and Terrorism Financing

Money Laundering is the disguising of the origin of money or other assets from criminal activities and moving them into the legitimate economy. In addition to monetary support, terrorism financing may include other assets such as goods or merchandise. NI strives to conduct business and maintain relationships only with reputable customers, partners, and companies whose business activities comply with legal requirements and whose financial resources are sourced from legitimate origins.

Prohibition of Corruption and Bribery

NI does not tolerate bribes, kickbacks, extortion, or facilitation payment of any kind. Business decisions involving NI shall always be made based on the merits of NI products and services. Suppliers must also comply with all applicable anti-bribery, anti-kickback, and anti-corruption laws, including without limitation, the U.S. Foreign Corrupt Practices Act, the United Kingdom Bribery Act of 2010, and those in effect in jurisdictions where suppliers act or purchase, market, sell, distribute, source, license, or deliver NI products or services (“Anti-Corruption Laws”). A more detailed description of NI’s Prohibition of Corruption and Bribery policy can be found at NI Code of Ethics. investor.ni.com/corporate-governance/code-of-ethics

Suppliers must never offer, promise, request, authorize or accept a bribe, directly or through a third party, for any reason. A bribe can be anything of value, including cash payments, gifts, travel or lodging expenses, charitable donations, event sponsorships, meals, entertainment, or job opportunities, which is intended to improperly induce, influence, secure, or reward a decision or act of the recipient to promote the business interests of NI.



Manufacturing Facility, Debrecen, Hungary

NI Supplier Diversity Program (SDP)

At NI, we recognize the importance and value of an ethical, diverse supply base and what this can provide to our overall supply chain. Additionally, suppliers must meet the following diversity requirements: (1) comply with any applicable laws and regulations targeted towards Suppliers to local governmental entities; (2) use reasonable efforts to engage minority-owned businesses, women-owned businesses, small businesses, LGBTE-owned businesses and disabled-owned businesses if Supplier engages subcontractors to provide any deliverables or to support the Supplier's overall business operations; (3) use commercially reasonable efforts to engage small businesses as defined by the United States Small Business Administration (including small business subcategories such as small disadvantaged businesses, small women-owned businesses, veteran-owned businesses, service disabled veteran-owned businesses and HUBZone businesses) if Supplier engages subcontractors in the United States to provide any deliverables or to support the Supplier's general business operations; (4) maintain accurate records of Supplier's efforts under this provision; and (5) provide reports to NI on request, which may include supplier's spend with minority-owned businesses, women-owned businesses, small businesses, LGBTE-owned businesses and disabled-owned businesses. For more information regarding NI's Supplier Diversity Program, please contact sdb.program@ni.com.

www.sba.gov/federal-contracting/contracting-guide/prime-subcontracting

Becoming an NI Supplier

Request for Quotations (RFQ)

Most new business with NI begins with a request for quotation (RFQ) and should be accompanied by the necessary technical documentation. Each quotation needs to include the applicable Harmonized Tariff Schedule (HTS) code, Export Control Classification Number (ECCN), and CoO (country of origin) for the parts to be sourced. The response time for quotes varies depending on the complexity of the part(s) and the number of parts being quoted. A 24- to 48-hour turnaround time is desired for parts that meet basic requirements. If the response time is not listed on the RFQ, call the NI buyer to verify the response need date. All quotations should be formalized in writing. All quotes must list any additional cost(s) including but not limited to tooling, test fixtures, nonrecurring charges, packaging, and delivery.

Supplier Portal

NI launched a third-party hosted portal to increase automation and enhance communication with our direct materials supply chain. This automation serves to minimize supply chain costs and maximize gains from streamlined business processes. These efficiencies are realized by both parties, and compliance with this initiative is expected. The portal is a simple and user-friendly tool that eliminates the need for the supplier to have an IT support infrastructure to collaborate with NI. This platform provides web-based capabilities we can use to exchange communications related to purchase orders (PO).

PROCESS	BENEFITS
POs and Acknowledgements	Management by exception—View on one screen new documents and other items that require your attention today
PO Change Requests	Receive notifications when new or changed documents arrive or when you need to take action (overdue PO acknowledgments or ship notices)
Ship Notifications	Quick, comprehensive searches—Get help locating important documents
Invoice Status	View POs across buyers and NI locations
ACH Payments	View the full lifecycle of a PO, including shipment tracking numbers, for you, the NI buyer, and the respective accounts payable and accounts receivable departments

Electronic Data Interchange

NI may choose to collaborate via EDI for suppliers with high transactional activity. This requires the supplier to maintain an IT infrastructure to support EDI. Because EDI requires significant upfront project management resources, collaboration via EDI is by NI invitation. NI collaborates with high transactional suppliers utilizing the following EDI transaction types below.

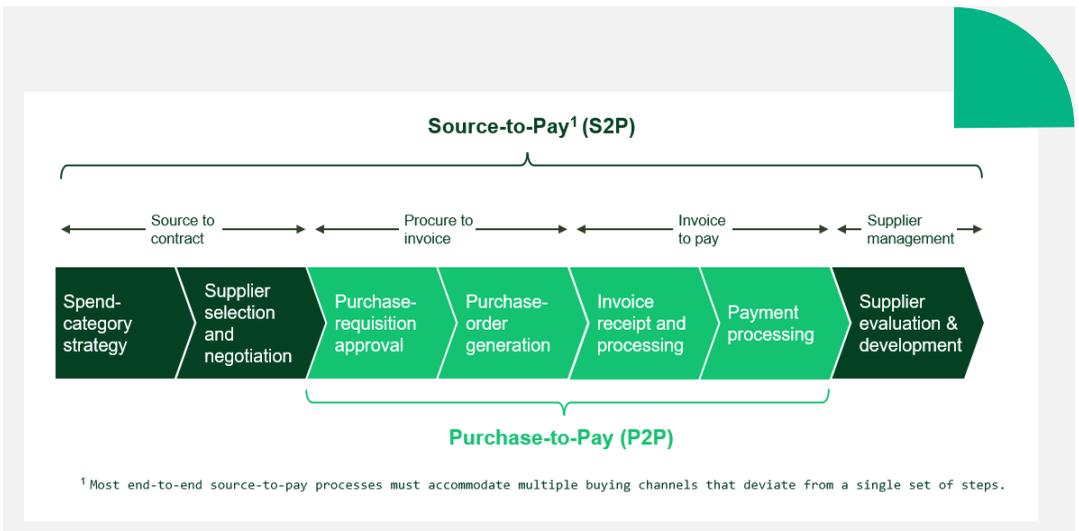
EDI 830	EDI 850	EDI855	EDI 856	EDI 860	EDI 865
Forecast	PO	PO Acknowledgement	Advanced Shipment Notice	PO Change	PO Change Acknowledgement

Product Lifecycle Management

NI uses the Agile Product Lifecycle Management Solution for product data management. This system contains our bills of materials, part number-specific attribute and parametric data, approved suppliers/manufacturers, and manufacturers' part numbers. Additionally, this system provides change management workflow and history. We authorize remote access into our PDM system for select suppliers. Please contact a global commodity manager if you are interested in this service.

NI Source-to-Pay Process

NI has developed a streamlined source-to-pay and purchase-to-pay process that clearly defines and ensures the company’s purchases are reasonable and appropriate. The P2P Policy also helps standardize and simplify the global procure to pay process. This will enable us to focus on using our company assets wisely and in a predictable and responsible way. The purpose of the policy is to provide feasible and reasonable procedures and guidance to the business using the capabilities of our existing systems.



NI Quality

Production Supplier Qualifications

NI expects its supply base to have a robust quality management system in place that complies with ISO 9001:2015 requirements. A core component of any quality management system must be the acknowledgment, monitoring, and continuous improvement of key business processes. These efforts toward continuous improvements should be visible to NI in the form of improved product quality, delivery, part pricing, and service.

First Article

All suppliers with new build-to-print parts or programmed ICs are required to submit first articles to NI for review and approval. Suppliers are responsible for documenting verification results and providing this documentation with the part submission. Suppliers are provided with an NI First Article form but can use their own equivalent as long as all required information is included. For mechanical items, a First Production Article Inspection Report (FPA) is required to be submitted along with the first articles. This process includes a part submission warrant, a dimensional and appearance evaluation report, and any other documentation requested in advance by NI Engineering. This includes measuring physical dimensions with a calibrated tool. For programmed parts, the verification includes check sum and part-labeling compliance. Upon arrival at NI, the parts are reviewed for form, fit, and functionality requirements; the review is typically performed by the design engineer. Supplier verification results serve as a reference during this process. Once the engineer approves the part, NI sends written notification to the supplier. If the part does not meet requirements, NI documents the discrepancy, and the supplier is expected to provide a new first article that conforms to established requirements.

Inspections

NI inspects material that is new, is sourced from a new supplier, or has a history of quality nonconformance. The amount and depth of inspection depend on the part type, part complexity, and criticality to the success of our products. The inspection process may include dimensional, cosmetic (physical appearance), functional, nondestructive, and go-no go (go-limit gauges) inspections. NI conducts inspections in accordance with an industry-recognized AQL plan.

Dock to Stock

NI has an active dock-to-stock program. The program is designed to allow “qualified” material to go straight to the stock room after the receiving transaction has been completed. The direct path to stock is our goal, and we expect our suppliers’ cooperation. Material is qualified as a result of successful incoming inspection lot history. Inspection criteria and the required number of valid receipts vary based on the commodity category. Material that is dispositioned as “nonconforming supplier fault” may require inspection for future receipts until qualified again.

Non-conforming Material

Nonconforming material is identified and documented in a nonconforming material report (NCFR) and quarantined in the Material Review Board (MRB) area pending review. If material is dispositioned as “supplier fault,” parts may be returned, or credit requested. The NI buyer or supplier quality engineer contacts the supplier for further action. As a supplier, you are expected to act promptly in resolving nonconforming material issues. Containment and corrective action are imperative in resolving NCFRs promptly. For items dispositioned by the MRB as return to supplier, suppliers are expected to provide an RMA within 48 hours.

Supplier Corrective Action Requests (SCAR)

When nonconforming material is dispositioned as supplier fault, an MRB team member may decide to issue a supplier corrective action request (SCAR) to the supplier. An MRB member also may issue a SCAR for chronic nonconformance on similar parts or operational issues. This impacts your quality score (see Supplier Scorecard on page 17).

NI has adopted a six-step problem-solving process to identify, correct, and eliminate the recurrence of quality problems. As an NI supplier, you are expected to follow a similar process. Specifically, we expect suppliers to provide timely containment followed by an initial SCAR response that addresses the problem description within two weeks. The NI approved SCAR resolution shall include verified root cause(s) and implemented corrective and preventive actions.

Prohibition of Counterfeit Parts

The supplier represents and warrants that only new and authentic materials are used in goods delivered to NI and that delivered products contain no counterfeit components. No material, part, or component other than a new and authentic component shall be used unless approved in advance in writing by NI. To further mitigate the possibility of the inadvertent use of counterfeit parts, the supplier shall purchase only authentic parts/components directly from the Original Component Manufacturers (OCMs) or through an OCM/OEM-authorized distribution chain. The purchase of parts/components from independent distributors is not authorized unless first approved in writing by NI management. For complete details regarding the prohibition of counterfeit parts, please visit our terms and conditions of purchase.

www.ni.com/content/dam/web/pdfs/WW_Procurement_Terms_and_Conditions_2022_July_en.pdf

Supplier Change Notification

For items controlled by a manufacturer's part number, you are required to issue a Product Change Notice (PCN) to communicate any changes to form/fit/function as well as changes to lifecycle status, including last-time-buy information. Please send all PCN submissions to our dedicated PCN mailbox for timely processing: pcn@ni.com. PCN submissions sent to personal email addresses (john.doe@ni.com) will not be processed. Custom fabricated items are controlled through NI specification drawings and cannot be changed without an approved engineering change order (ECO) or approved deviation from NI. For these custom fabricated items, you must notify NI before changing manufacturing locations.

Non-Production Supplier Qualifications

A core component of any quality management system must be the acknowledgment, monitoring, and continuous improvement of key business processes. These efforts toward continuous improvement should be visible to NI in the form of improved quality, delivery, pricing, and service. Furthermore, we ask our indirect or non-production suppliers to examine closely NI's Section 889 policy, Terms and Conditions, Code of Ethics, and Supplier Code of Conduct as these are currently our most prominent guidelines for indirect/non-production suppliers. For more details regarding non-production supplier qualifications and evaluation criteria, please reach out to your indirect category manager or procurement representative.

NI Logistics Information

The NI global logistics team has an objective to provide logistic solutions to meet simple or complex needs. To do so, we have developed a logistics routing guide aimed to help you find the optimal transportation method to deliver your products to NI sites, reduce your operational costs and risks, while ensuring compliance with NI shipping standards. If you have specific questions, please reach out to your global procurement professional for a current version of the NI logistics routing guide.

Packaging, Labels, ID, and Shipping Requirements

Packaged product quality remains your responsibility (unless otherwise specified by contractual agreement). You shall perform any necessary package testing to ensure the packaging solutions provide adequate protection for all material shipped to NI facilities worldwide, including protection against electrostatic discharge and moisture as appropriate. Inbound packaging for all parts and/or assemblies must meet the ASTM D 3951 Standard Practice for Commercial Packaging, ASTM International. For custom items, you are required to follow the guidelines set forth in the NI Supplier Packaging Guidelines (NI p/n 274070A-01).

NI has three major concerns regarding packaging. Foremost, supplier packaging should be designed such that it protects incoming materials to NI from damage during transit. Secondly, is the elimination of excessive packaging whenever feasible. Too much packaging results in added transportation fees and increased material costs. Lastly, NI is concerned about packaging waste and its impact on the environment. Whenever possible, please use environmentally friendly packaging.

Labels for inbound material should contain identification as specified on the drawing or related specification, including part number and revision, supplier identification, date code or serial number, and country of origin, as necessary.

For shipments to NI Austin

Send inbound material to NI in accordance with your PO freight terms. Ground transportation is the default shipping method for non-expedited material. Please work with your NI buyer to define shipping methods.

For shipments to NI Hungary Kft and NI Malaysia Sdn Bhd

Send inbound material to NI in accordance with your PO freight terms. For US suppliers, a freight-forwarding company collects material that is being shipped to NI Hungary Kft (NIH) and NI Malaysia Sdn Bhd. Obtain specific instructions from your NI buyer for shipping material to NI.

For shipments to other NI locations, contact your NI procurement representative for shipping instructions. Please ensure all commercial paperwork is properly provided with these international shipments.

NI Delivery Locations

NI has several global delivery locations for direct material. Ship our product to the location listed in the PO delivery information.

Schedules for Available Dock Delivery

Each location has specific delivery times. Check with your buyer for receiving operation times at the specific NI location.

Packing Slips and Proof of Delivery

All inbound material must include packing slips that contain the supplier's name, PO number, part number, part description, and quantity. The manufacturer's part number and date code or lot number also may be required depending on the commodity. Packing slips are preferred to be inside the box and not on outside pouches. We strongly prefer the NI part number, manufacturer part number, date code, and lot code in standard bar code format. You are required to demonstrate proof of delivery upon request for shipments where you use your own carrier. The proof of delivery should include the quantity of parts delivered, part number(s), PO number, and evidence of receipt by an authorized NI representative.

Performance monitoring and two-way feedback are critical to maintaining a solid business relationship and ensuring optimum efficiency. NI addresses this need with multiple formats described in detail in the next section.

NI Supplier Evaluation and Scorecard

NI compiles performance data on a quarterly basis for select suppliers and publishes the data in the Supplier Scorecard. “Select Suppliers” are typically suppliers that appear on the NI “top 80 percent of spend.” An NI global commodity manager administers the scorecard results and shares them with NI Manufacturing and Engineering. The quality score is based on the parts per million defect rate (DPPM), nonconforming material reports (NCFMRs), and the number of supplier corrective action requests (SCARs) issued during the quarter. Delivery performance is based on lead time, vendor discrepancy lists (VDLs), and on-time delivery performance over a three-month period. The total cost element evaluates supplier savings, innovation, and corporate responsibility programs. Customer support is evaluated by procurement and engineering functions. All four elements add up to a total possible score of 100 points.

NI uses a four-quarter rolling average calculation to place select suppliers into performance brackets. The brackets range from 1 to 4, with Bracket 1 suppliers achieving the higher cumulative scores. The objective is to use brackets as a tool for guiding business consequences as a result of performance. Below are the scoring brackets.

Scorecard Performance Elements

ELEMENT	COMPONENTS	WEIGHTING
Quality	NCFMR, DPPM, SCAR	30%
Delivery	On-time delivery, VDLs, Lead Time	30%
Pricing	Cost / Savings	30%
Customer Support	Communication, NI Goals Awareness, Support	10%

Scorecard Brackets

EVALUATION RESULTS
Bracket 1: ≥ 90
Bracket 2: 85–89
Bracket 3: 75–84
Bracket 4: < 75

Business Reviews

Global commodity managers conduct business reviews with selected suppliers in each commodity as appropriate. The purpose of these meetings is to enhance the communication and relationship of the business between management at both companies. Items discussed may include long and short-term goals, performance metrics (for example, scorecards), the progress of the supplier's corporate responsibility programs, new product introduction issues, ongoing manufacturing or technical issues, and reviews of open or unresolved issues. Our non-production and production suppliers are invited to openly discuss mutually beneficial process changes or improvements during their business review meetings.

As a supplier, you are expected to present the state of current business at your company, including financials, key initiatives, capital improvements, new capabilities, expansion plans, and mergers. Also, you should provide feedback to NI regarding any discrepancies with scorecard data.

Performance Improvement Program

If your performance consistently falls below minimum requirements, NI may issue a performance improvement plan (PIP). This is typically the result of sustained declining performance as reflected in the four-quarter rolling average score. The PIP clearly identifies the area(s) of improvement required and provides a specific timeframe for improvement. If you receive a PIP, you are expected to develop a comprehensive program for improvement and lasting sustainability of the corrective action. Once your performance has improved, NI Procurement provides written notification of PIP closure. If you do not improve during the performance improvement period, you are subject to a reduction in business, no new business, or disengagement from business with NI.



Regional Support Center, Heredia, Costa Rica

Further Expectations

Continuous Improvement

NI is committed to responsible sourcing and suppliers are highly encouraged to meet or exceed the standards specified in these principles. With a focus on self-assessment, internal ownership and self-accountability, Suppliers should continue to make changes that will bring long-lasting, sustainable impact not only to their own facilities and operations, but also NIs.

Downstream Expectations

We expect our partners not only to comply with the Code of Conduct in their own organization but ensure that their suppliers adhere to the international standards summarized in the Code of Conduct. Furthermore, NI asks that you establish your own ethical, social, and ecological minimum requirements in your supply chain, and your suppliers are legally bound to comply with them. While we do not require you that you designate at least one officer who is responsible for issues of sustainability or ethics, we strongly recommend it.

Report Suspected Violations

To justify the trust placed in NI by customers, suppliers, shareholders, employees, and other stakeholders of the company, we place the highest priority on the integrity and transparency of our business processes. Therefore, it is essential that NI obtains knowledge of any compliance violations, in particular violations of the NIs Business Conduct Guidelines. Reliable reporting channels for internal and external stakeholders are indispensable for effective compliance because they help ensure that possible misconduct is reported, thoroughly investigated, and brought to light.

Consequently, NI has developed a process for external (and internal) partners to provide notification of any misconduct, which can be found at NI Ethics Hotline. Additionally, any reported violation may be reported anonymously and will be kept confidential to the maximum extent allowed under applicable laws. Although reports of violations or suspected violations under these principles may be made verbally, suppliers are encouraged to make any such reports in writing, which assists the investigation process. secure.ethicspoint.com/domain/media/en/gui/7476/index.html

Suppliers are also expected to provide reasonable assistance to any investigation by NI of a suspected violation of these principles, applicable laws, or contractual obligations, and to allow NI reasonable access to all facilities, records, and documentation concerning their compliance to these expectations as related to the products and services provided by the supplier to NI.

Furthermore, NI will not retaliate against anyone who provides information or otherwise assists in an investigation or proceeding regarding any conduct the person reasonably believes constitutes a violation of applicable laws or these principles.

NI Supplier Appreciation

Again, NI recognizes that success in our space is made possible by a strong supply base – so much so that supplier success is necessary for achieving our mission. Therefore, we would like to express our sincerest gratitude towards our suppliers, partners, and stakeholders who make achieving our mission possible. Furthermore, we commend you for abiding by the principles outlined in this document helping to ensure that NI establishes themselves as a trusted partner and innovative leader.

