SUMITOMO RIKO GROUP
SumiRiko AVS Germany GmbH

Supplier QHSE Requirements Manual

Overview:

- Introduction
- SumiRiko AVS Expectation / Requirements
- Supplier Selection and Performance
- Quality / HSE Requirements

This manual has been created to assist our suppliers in understanding the purchasing expectations, quality and HSE requirements for products supplied to SumiRiko AVS. The manual is also a tool to assist SumiRiko AVS in complying with the standard IATF 16949 and to develop our suppliers.

In order for SumiRiko AVS to maintain compliance to the IATF 16949 requirements, also the suppliers to SumiRiko AVS must be certified to the current version of IATF 16949 Quality Management System by an accredited certification body! As minimum ISO 9001 is required with the clear committed target, to strive for IATF 16949 certification in a timely manner, or SumiRiko AVS to demonstrate a written approval from an OEM approving the use of suppliers without sufficient Quality Management system certification. Our suppliers should strive for, develop and implement an Environmental System Certification according to ISO 14001 as well.

SumiRiko AVS highly recommends also to strive for certification according ISO 45001/OHSAS 18001 (Work safety), ISO 50001 (Energy Management) and ISO 27001 and / or TISAX® (Information security).

When circumstances dictate additional requirements and expectations to this manual, the requirements may be extended to comply with specific customer requirements.

Through implementation and adherence to the standards stated herein, SumiRiko AVS looks forward to a long term and mutually beneficial relationship with our suppliers.

4.16 REACH Report
4.17 Material Safety Data Sheet
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4.24 Sustainable products. CO2- neutrality CO2 emissions

1.1 Scope

This manual has been developed to communicate the operating principles, general expectations, requirements and procedures of SumiRiko AVS. Adherence to the guidelines described in this manual is required by all SumiRiko AVS suppliers. Acceptance of any and/or all purchase orders constitutes acceptance and commitment on behalf of the recipient to comply with this manual's content.

This manual is provided as a supplement to the terms of any purchase agreement, the SumiRiko AVS General Terms and Conditions of purchase or requirements included in applicable engineering drawings, specifications and other contractual documents.

This manual describes the minimum requirements and expectations for which the supplier has responsibility, further requirements may be applicable depending on SumiRiko AVS end customer requirements. However, system improvements that exceed the requirements specified within this manual are always encouraged.

1.2 Purpose

We expect that SumiRiko AVS suppliers support the commitments of SumiRiko AVS IMS-Policy.

In order to fulfill this objective, it is necessary that all functions within SumiRiko AVS and their business associates operates with a "Zero Defect" strategy. We must both strive for a fundamental quality management system that provides for continuous improvement in the quality of products and services. Emphasis should be on defect prevention in first place while seek and the reduction of variation and waste in the supply chain.

The main communication language is English. This includes also all Supplier documentation

1.3 Application

The expectations and requirements described in this manual apply to all suppliers of prototypes, serial production products and aftermarket business. Suppliers must meet all applicable requirements specified herein. SumiRiko AVS highly recommends and expects the use of all standard AIAG core tools (APQP, PPAP, FMEA, MSA and SPC) or VDA standards (PPA, Maturity assurance for new parts, Robust production process …) and CQI special process requirements as the basis for all process and product quality assurance.

1.4 Implementation + Customer specific requirements (CSR)

Suppliers are responsible for the development, implementation as well as documentation and maintenance, keeping up to an IATF 16949 Quality Management System Standard according to the latest revision.

Suppliers are encouraged to become certified to the environmental management system ISO 14001, to the work safety management system (ISO 45001/OHSAS 18001), the Energy management system (ISO 50001) and the Information Security System (ISO 27001 and / or TISAX®).

When circumstances dictate additional requirements and expectations to this manual, the requirements may be extended to comply with specific customer requirements.

Only ISO 9001 certified Suppliers:

In September 2017 the International Automotive Task Force (IATF) published the second edition of the "Minimal Automotive Quality Management System Requirements for Sub-Tier Suppliers" (MAQMSR). The check according MAQMSR offers all companies that are not yet certified or not certifiable according to IATF 16949 and want to further develop their quality management, a helpful interim solution on the way to certification.

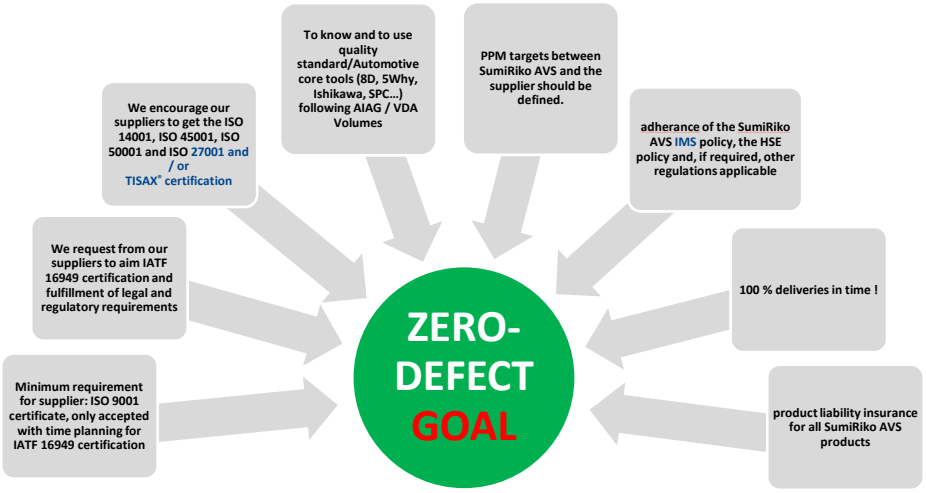
In order to guarantee the quality of the product, and as part of the development of the automotive industry, vehicle manufacturers have increased their requirements according to their specific needs and their Quality Management Systems, these requirements are known as Customer specific requirements.

As part of the supply chain, SumiRiko AVS and its suppliers must comply with the guidelines stipulated by the OEM to ensure that they meet their expectations and thus secure the continuity of the business relationship for current and future projects.

Among the base specific requirements of the main customers are, but not limited to, the following are:

- VW.- Formel Q Manuals (Konkret, Capability, Economy)
- GM.- BIQS System and "GM Customer Specific Requirements IATF 16949"
- Ford. - MSA Methodology and "Ford Motor Company Customer-Specific Requirements".
- Stellantis / FCA Group. - "FCA US LLC Customer Specific Requirements".
- BMW. - "BMW Customer Specific Requirements".
- Honda. - "Honda Supplier Quality Manual"
- Mazda. - "Quality Requirements for Suppliers"
- Nissan. - "ANPQP"
- Renault Group. – "Customer Specific Requirements IATF 16949"
- Stellantis / Groupe PSA "Customer-Specific Requirements for use with IATF 16949 + Supplier Quality manual"
- Daimler – MBST incl. Annex + CSR of DAG
- Etc.

Valid is primarily the newest version of the Customer rules and requirements for all SumiRiko AVS suppliers and there compliance must be ensured within the demands applicable to the projects for the components or materials supplied. These documents are available for consultation at http://iatfglobaloversight.org or may be requested from SumiRiko AVS.



2.1 Engineering / Technical Support

SumiRiko AVS is dedicated to the manufacturing of the highest quality products.

In order to achieve this objective, all suppliers should offer a resilient feasibility commitment, engineering and technical support to SumiRiko AVS wherever support is requested.

2.2 Manufacture Capability / Capacity / Location

Suppliers are expected to have all the necessary resources available in regard of personal, property, facilities incl. state of the art equipment (according to SumiRiko AVS latest Process standards -> Production equipment, quality/test equipment) as well as materials to supply the products and services required to accommodate SumiRiko AVS project and production schedule.

2.3 Consistent Quality

As principle Zero-defects in products and services are required from all suppliers to SumiRiko AVS. Any deviation from this principle will result in rejection and return of the product to the supplier with all subsequent charges involved. The supplier is expected to reduce any ongoing fault rates by half year by year. Payment by SumiRiko AVS shall not constitute any acceptance of goods and services. Even after acceptance of a shipment, SumiRiko AVS reserves the right to return any material proven as defective for replacement or credit. Defective material shall be returned at the supplier's expense and account debited accordingly. Additional charges for testing, sorting, administrative fees and other related costs (extra transport, end customer charges, loss of production etc.) will also be added.

2.4 Cooperative Management Attitude

SumiRiko AVS expects our supplier's top management to share the same commitment to meet or exceed our customer's quality expectations through continuous improvements. It is also expected that the entire supplier organization will give their full support to the relationship that exists between our companies and demonstrate flexibility in assisting SumiRiko AVS to meet all of our customer's requirements.

The Supplier is required to maintain a SumiRiko AVS plant contact, who can be readily available to assist in solving problems when needed (Product Safety & Conformity Representative -> PSCR).

2.5 Rights of Verification of Products/Processes in the supply chain

To confirm the quality assurance system of the Supplier/Sub Tier Supplier(s) and the quality control status of individual ordered articles and manufacturing processes, SumiRiko AVS reserves the right to verify the products and manufacturing processes at the supplier's and sub-suppliers locations first-hand by SumiRiko AVS representatives, our customer and/or their customer. This can be done by different kinds/levels of audits and the supplier will be notified in advance.

2.6 Product liability and recall insurance

The supplier undertakes to conclude and maintain an extended product liability insurance, with sufficient financial coverage in case of recall-and/or service campaigns to cover the risks arising from the contract.

3.1 Supplier Assessment and Selection

The SumiRiko AVS supply base shall consist of organizations supportive of our business needs. SumiRiko AVS utilizes control methods through which suppliers are evaluated, selected, developed and monitored on regular basis.

Criteria for assessment (e.g. accepted Supplier Self Assessments (general and CSR) + sufficient Product liability assurance + positive result of Potential Audit/Process Audit + accepted General agreement) and selection of suppliers, for placement on SumiRiko AVS Preferred Suppliers List, is based on the supplier's abilities to meet and/or exceed quality and purchasing requirements and expectations.

3.2 Supplier monitoring

All suppliers related claims and audit performances will be reported into the SumiRiko AVS global reporting system for evaluation. On a monthly basis the SQM/SQE department(s) from all production facilities will present internal reports based on this data (e.g. PPM, number of claims, number of repetitive claims, results of 8D Review Audits) and will follow up the suppliers that cannot meet our requirements.

As needed, SumiRiko AVS will invite these suppliers for meetings with the expectation that the top management is involved and can present and reflect to us their action plans to solve the problems and topics. New Business Hold status and escalation level process can be raised if there is a shortcoming in the supplier's performance, audit result and/or their ability to improve or even solve independently the problems.

3.3 RAT (Review and Analysis of Technics)

Targets of RAT:

- Exchange of know-how between SumiRiko AVS and its suppliers
- Definition and specification about technics (specifications, standards, dimensions, SPC, Tests and frequencies) quality, logistics and HSE requirements
- Determination of specific test results which have to be provided by 3.1 certificate according DIN EN 10204, with each delivery in serial
- Determination of the scope of sampling according VDA 2 (PPA/PPF) /AIAG (PPAP) + serial control/monitoring, Product Audits and Product Re-qualification
- Clarification of packaging and delivery condition
- Final discussion about feasibility commitment of Suppliers
- Face to face meetings are highly recommended, as minimum, web conferences must be organized

Drawing and RAT are considered as contractual documents = order specification

Tasks and responsibilities of SumiRiko AVS:

The task of Purchasing department is to organize, to document and to lead the RAT-Meeting, to define the Project Management phase with the Supplier according VDA RGA (definition of timeplanning, Milestones, change Management etc.), to discuss the contingency/emergency concepts of the Supplier (ensuring deliveries) and to define the packaging/delivery conditions (in consultation with the SumiRiko AVS production plant concerned)

Output: Report of the discussed and agreed items

The task of Development department during the RAT meeting is the personal discussion with the Supplier representatives in charge about the drawing dimensions, specifications, special characteristics, standards, minimum shelf life etc. (to identify and clarify all open points and questions).

-> e.g. Dimensional properties, material properties, functional properties, visual + haptical properties, determination of minimum shelf life of supply material with an expiry date at goods receipt of SRK (e.g. galvanic surfaces, bonding agents, Rubber Compounds…)

Output: Report of the discussed and agreed items

The task of quality planning in the RAT is to coordinate the sampling process (scope, quantities, documentation requirements, measurement reports, IMDS ...) + to discuss the expectations of monitoring and documentation of special characteristics during serial production, defining the contents and frequencies of Product Audit(s) and Product Re-qualification(s).

Output: Report for planning and agreeing the sampling and serial control

4.1 Quality Management System

Our suppliers are required to be certified to the latest revision of IATF 16949 Automotive Quality Management System Standard by an accredited 3rd party registration body (minimum ISO 9001 with clear commitment and time plan to strive for IATF 16949 or SumiRiko AVS to demonstrate a written approval from an OEM approving the use of suppliers without sufficient Quality Management system certification). Suppliers Quality System shall be formally documented, implemented and maintained to ensure that supplier's products and services are conform to the identified purchase specifications, engineering or material specifications and/or contractual requirements. The system shall be defined and documented in the supplier's own Quality Management documentation. This QM documentation (manual or similar) shall be made available to SumiRiko AVS for review upon request.

4.2 Product Quality

Suppliers are fully responsible for the quality of their products including their sub-suppliers products. All suppliers are responsible for providing products that meet all SumiRiko AVS requirements, specifications and drawings, as stipulated in the RAT, on the purchase order and that the products are free from defects.

Zero-defect products are required from all suppliers!

4.3 Quality Planning (QAP/APQP)

All suppliers are required to complete a QAP/APQP on all projects (new or changed parts) according to the provided time schedule, and report on the activities as requested. Any change in the time schedule needs to be approved by SumiRiko AVS. This process will be followed up by the SumiRiko AVS responsible Project Quality Engineer and Purchaser as identified in the QAP.

4.4 Handling of Non PPAP/PPA Approved Parts

If requested, for all deliveries representing first off tool and pre-series components, the supplier must provide an inspection report detailing:

Five parts per batch: full 100% control on all characteristics (must be separately identified).

The remaining parts: inspection of all key characteristics defined on the drawing, specification or as detailed in the QAP/APQP process.

For prototype parts the supplier must provide an inspection report in agreement with SumiRiko AVS.

As a minimum, measurement report with positioned drawing.

-> Until SOP for each delivery (Prototypes, OTS..) a part history must be included with a clear description of part and process status (reworked mold, geometry change, drawing update, non serial process…).

4.5 Production Part Approval Process acc. to AIAG/VDA2 (PPAP/PPA)

The PPAP/PPA with all requested documentation and samples according to the QAP/APQP process shall be available or submitted by the agreed time schedule. This documentation shall show that all requirements specified in our RAT, drawings and specifications are fulfilled.

The supplier can apply for an Interim approval if the part or documentation cannot conform to all specified requirements. The supplier must apply for this as soon as they can foresee that they cannot present a complete PPAP/PPA on the agreed submission date. The Interim approval shall specify what requirement the supplier cannot fulfill including an action plan showing how and when the part (e.g.: 100% sorting before shipping to SumiRiko AVS) or documentation will be according to specification. An interim approval is always restricted for a limited number of parts or time period.

SumiRiko AVS reserves the right to inspect these samples for conformance and will return a signed Warrant indicating whether it is approved to produce parts for serial production purposes. This report will be submitted to the Supplier. Shipping of serial production material is only allowed with an approved PSW (Part submission Warrant) or a signed Interim Approval by SumiRiko AVS.

In the case of two consecutive non-compliant initial samplings attempts, or any delays of schedule dates, SumiRiko reserves the right to invoice the supplier for all costs of necessary re-examination of the initial samples.

4.6 Serial Production Ramp Up Inspection

Intensified inspection shall be implemented by supplier during SOP, and is part of the QAP / APQP process.

The suppliers reinforced Control Plan is to be validated with PPAP by the Project Quality responsible before SOP.

The results of this reinforced inspection should be validated by SRK AVS plants after SOP and quantity/frequency should be agreed in RAT.

The reinforced inspection plan will be subject to the following rules:

- 100% inspection of all key characteristics based on the SumiRiko AVS requirements and/or non-conforming capability results.
- The production control plan frequency should be minimum doubled for all other characteristics.
- For appearance items 100% inspection shall be based on the approved Boundary and Master Samples

4.7 Annual PPAP/PPA Re-Validations / Re-Qualifications / Conformity Of Production (COP)

Whenever SumiRiko AVS is required to submit a PPAP/PPA to their customers, all supplier PPAP/PPA documentation must not be more than one year old, unless otherwise agreed during RAT and with definition of requalification requirements in control plan.

At that time, all PPAP's/PPA's older than one year shall be updated upon the request of SumiRiko AVS.

PPAP/PPA Re-validations / Re-qualifications have to be provided free of charge.

In the case of a defined requalification frequency of more than 1 year, retained samples are to be kept for the time period in between.

In the case of new or substitutional tools/molds, a new sampling (PPA/PPAP) is required.

The supplier must send a notification specifying the change and asking for the scope of the sampling in advance.

4.8 Continuous Improvements and Statistical Process Control (SPC)

Continuous improvements in the quality of products and/or manufacturing processes are important to be a supplier to SumiRiko AVS. The supplier should maintain documented evidence of continuous improvement for review upon request by SumiRiko AVS representative. One portion of any continuous improvement program should be the proper use of statistical methodologies. Statistical data shall be provided as required by the SumiRiko AVS representative, as identified by the respective engineering drawing, applicable specifications or standards, and/or the purchase order.

Special Characteristics:

Designated special characteristics shall be subject to continuous ongoing Statistical Process Control. Other characteristics may be designated out for initial or continues ongoing SPC control.

Customers and SumiRiko generally select special characteristics (dimensions, material, …) impacted by safety/regulation standards and/or been critical for fit or function. Those are identified by symbols specified in the drawing and/or RAT.

Capability Studies and Statistical Process Control shall be performed in accordance with the rules defined in the latest edition of the AIAG PPAP/VDA 2 PPA and SPC manuals.

Initial Capability:

Products are taken from pre-production at the manufacturing location(s) and analyzed statistically. Parts from each unique production process e.g. duplicate assembly line and/or work cell, each position of a multiple cavity die, mold or pattern, shall be measured and representative parts been tested. SumiRiko AVS requirement on initial capability studies are min 1,67 Ppk. A Ppk of minimum 2,0 can also be required.

For non-critical dimensions a minimum Ppk of 1,33 may be required.

Minimum quantities must be defined with SumiRiko AVS Quality Planner.

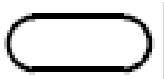
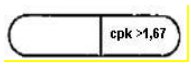
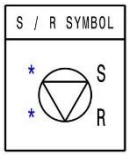
Special characteristics have been identified according to customer specific, regulatory and/or SumiRiko specific requirements.

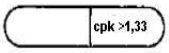
Leading document is in any case the drawing, i.e. customer drawing, SumiRiko component drawing, supplier drawing, etc.!

Each SumiRiko AVS supplier must record and follow-up with the customer specific symbols for safety, regulation and/or significant characteristics in all process control documents starting with the drawing.

If no customer requirements are defined, but internal SumiRiko AVS requirements are defined, then the identification of safety, regulation and/or significant characteristics got to be marked as follows:

SumiRiko internal identifications / markings:

Identifications / Markings		Definition	Comments
Letters	**Symbols**		
S/R	 Test dimension	**safety and/or regulation characteristic** (critical characteristics related to safety/security requirements, product safety and safety relevant consequences with immediate danger to life and limb and/ or critical product characteristics related to homologation relevant, legal and public authority requirements at the time the product is introduced to the market with a retention period (operating and archiving period) of 30 years)	Has to be checked during series production and recorded. Control methods and frequencies have to be defined in the control plan.
	  safety **and** regulation characteristic  safety characteristic  regulation characteristic  The characteristics equip with these signs are under a special record (archive file)		Capability of dimensional characteristics must be confirmed. Functional characteristics can not be proved by capability study, except 100%-in-line test. ***Required process capability = >1,67*** Safety and regulation characteristics must be marked in FMEA, drawing, work and inspection instructions and Control Plan and must be reviewed accordingly. safety characteristic criteria may be -> Protection for passengers in accidents -> Prevention of: - drive function failure - sudden loss of power - uncontrolled drive - insecure loads /trailers / parts - injury when travelling or when using the vehicle in any way regulation characteristic criteria may be -> Registration-related (e.g. locking system, headlights) -> Homologation (e.g. exhaust gases, vehicle emissions, …) -> Legislation-related (recycling, warranty)

Identifications / Markings		Definition	Comments
Letters	**Symbols**		
SC	 Test dimension	*significant characteristic* (significant product characteristics or significant manufacturing process parameters related to 4F (Form, Fit, Function and performance), tolerances, etc.) or subsequently the processing of the product and other requirements) with a retention period (operating and archiving period) of 10 years)	Has to be checked during series production and recorded. Control methods and frequencies have to be defined in the control plan.
			Capability of dimensional characteristics must be confirmed. Functional characteristics can not be proved by capability study, except 100%-in-line test. ***Required process capability = >1,33*** Significant characteristics must be marked in FMEA, drawing, work and inspection instructions and Control Plan and must be reviewed accordingly.

All project related documents must identify clearly all Special characteristics (customer and/or SumiRiko internal characteristics) in the process control documents including **contract documents, drawings, feasibility studies, FMEAs, control plans, process flows, work instructions and test instructions.**

On-going Control:

For critical or agreed characteristics where the process can be adjusted during the production run, SPC will be used to control the process output. If nothing else is agreed, the SumiRiko AVS requirement on serial production capability is min 1,33 Cpk.

In the event of noncompliance with the capability requirements, the supplier is required to perform 100% sorting (only visual sorting is not accepted) and/or to implement a mechanical Poka-Yoke on the corresponding characteristics until the agreed action plan is completed and the capability results fully comply with the requirements. These actions (100% sorting or addition of mechanical Poka-Yoke) will have to be fully documented in the Control Plan and the process FMEA.

4.9 Process Records

In order to verify compliance with the agreed quality in case of liability cases, Process records shall be maintained and be available for SumiRiko AVS upon request. All records shall be retained for a time period of minimum 3 years after production end (EOP) or for an special agreed period of time.

As a minimum, during the production, the supplier shall maintain:

- Process change record
- Ongoing quality control records
- Production record

4.10 Non-Conforming Product Control

If a supplier's parts are found to be defective the supplier will be notified by SumiRiko AVS personnel to provide immediate containment and support to resolve the problem using the 8D format and Root Cause Analysis tools.

A most serious concern is when a supplier product/process shuts down a SumiRiko AVS production line making delivery to a SumiRiko AVS Customer late. Any condition causing line shutdown and late shipment warrants the supplier's immediate action to eliminate the condition. The supplier is responsible to address containment of the problem at their facility, parts in transit, parts in SumiRiko AVS stocks and at SumiRiko AVS end customer(s), including Safety stocks and Consignment stocks. Suppliers will be charged for all incurred costs for which they are responsible.

If requested by SumiRiko AVS a supplier or a supplier hired third party company (can be directed by SumiRiko AVS) may send in a team to sort parts in house at the supplier expense. If SumiRiko AVS must sort and/or test supplier parts in order to keep production supplied with defect free components, the Supplier will be charged for the sorting and testing costs. This charge may be applied to both components and finished assemblies in which the components are used. If a supplier defect causes an SumiRiko AVS finished product to be reworked or scrapped, all charges incurred will be the responsibility of the supplier. Likewise, any other related costs will be charged to the supplier including eventual costs from SumiRiko AVS customer.

If a supplier cannot implement a permanent corrective action to supply zero defects to SumiRiko AVS and problems continue, SumiRiko AVS will implement level 2 escalation with regards to Quality Assurance procedures. This shall include a containment process that must be implemented until the supplier has shown their ability to ship defect-free material on a continuous basis as outlined in escalation letter.

The costs coming from tests linked to a deviation request or a non-conformity for which the supplier is responsible, will be charged to the supplier by the purchasing department.

A SumiRiko AVS representative will follow up the containment actions. If another defect is discovered within this containment period, level 3 escalation (New Business on Hold) will be implemented at the Suppliers' expense. The escalation process is not designed to penalize our supplier. The purpose is to prevent any non-conforming part to be delivered to SumiRiko AVS and to assist our supplier's efforts to achieve the Zero defect quality level.

If a supplier detects non-conforming product prior to shipment to SumiRiko AVS, the supplier must immediately indicate and determine the extent of the problem and take action to correct the problem. If suspect material has been shipped, the supplier must notify all SumiRiko AVS recipient plants and implement all necessary actions to prevent the material being used in production.

Any rework or repairs to suspect material, molds etc. must be conducted in a controlled manner that assures that the reworked or repaired product, mold etc. meets SumiRiko AVS specifications.

Written instructions should detail the rework or repair, the re-inspection of reworked product, mold etc. (curriculum vitae), and the return of this product, mold etc. to normal production/process flow.

To prevent repetitive occurrences and failures, all changes must be documented and communicated.

A formal interim approval request that includes deviation and corrective action information from the supplier must be sent to SumiRiko AVS, and an approval must be received from the recipient plant before any reworked material is shipped to SumiRiko AVS. An official complaint will be distributed to the supplier when defective material has been found, initial response with initial containment must be completed and returned latest within 24 hours, long-term actions must be defined and reported within 10 calendar days unless otherwise agreed. The supplier is expected to implement all necessary actions to close the 8D within 30 calendar days unless otherwise agreed. The supplier will be notified if any aspect of the 8D report is not acceptable and will be required to resubmit the updated report in a timely fashion.

SumiRiko AVS reserves the right to evaluate the suppliers 8D Performance by an 8D Review Audit

4.11 Supplier Request for Engineering Change Approval (Product / Process change)

No changes on the product, process (including production location) or sub-supplier is allowed without written SumiRiko AVS approval in advance. The supplier must send a notification specifying the change to SumiRiko AVS (form "Supplier request for engineering approval/Product Process change"). SumiRiko AVS will then investigate the possibility to implement the change and will inform the supplier when a decision has been taken. A PPAP/PPA re-validation of the part and process will be requested if the change is accepted.

The notification and request have to comply with the latest edition of AIAG PPAP manual or VDA2 as agreed upon. All costs resulting from the change request are to be covered by the supplier.

4.12 IMDS Report (International Material Data System)

Each supplier must have IMDS access and create the IMDS data according to the IMDS guidelines. Each supplier must name a contact person and a representative in his company who are responsible for the IMDS data. Should the contact person leave the company, the contact person and representative must be newly named. The list with the supplier numbers and their contact persons must be maintained and should be archived in such a way that the SumiRiko IMDS responsible persons have the right to read it during data receipt checks.

At least all components, semi-components and materials delivered to SumiRiko AVS which will finally be assembled, must be entered into the IMDS system according IMDS-Guidelines, or as required by end Customer Specific Requirements. This will be requested in the QAP/APQP process.

The IMDS report must be accepted by SumiRiko AVS before the PPAP/PPA can be approved.

4.13 Special Processes

If required, suppliers shall comply with the requested AIAG standards related to special processes, for example:

CQI-8 Layered Process Audit

CQI-9 Special Process: Heat Treat System Assessment

CQI-11 Special Process: Plating System Assessment

CQI-12 Special Process: Coating System Assessment

CQI-14 Special Process: Warranty Management Guideline

CQI-15 Special Process: Welding System Assessment

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4.14 Supplier evaluation / Supplier classification

Each supplier will be evaluated based on its performance. The evaluation process will be constantly monitored and is based on the latest version of SumiRiko AVS procedure concerning supplier evaluation available in the download area on the SumiRiko AVS Homepage. If deficiencies can be determined during the evaluation, the supplier is obligated to draw up and implement action plans with concrete goals, e.g. agreed ppm values. The obligation to perform a self-evaluation and to implement corrective and preventive actions, when required remains unaffected hereby.

Additionally to the monthly and consolidated half-yearly quality- and logistics performance evaluation, SumiRiko AVS is using other criteria to classify and select its suppliers (technology & facility, safety & environmental, project management, cost level/competitiveness, innovation, support, know how/technical expertise, certification status…) and reserves the right to request current financial statements from the supplier as well as product liability- and recall insurance related information (copies of valid policies) on a regular basis.

The supplier evaluation and classification are key factors and used as main decision criteria for future business.

Classification	Points	Explanation
Expert	Above 90	The supplier has good overall performance, and both sides are willing to cooperation. Preferred supplier for new nomination. Supplier is able to support in development/design phase, give innovation etc.
Challenger	From 75 to 89	Acceptable supplier based on performance, and willing to cooperate and improve, can be selected for new nomination.
Benchmark	From 60 to 74	Acceptable supplier based on performance, but the supplier has limited potential to improve, hold for new nomination.
No-Buy	Below 59	Bad performer, blocked for new nomination and need to get phased out if possible.

Product quality series / Produktqualität Serie PPM rating	100 points
Quality and logistics disturbances / Störfälle	100 points
QMS Certification ISO 9001 only acceptable with timeplan to achieve IATF 16949	40 points
HSE, Work Safety, Energy Management Certification	30 points
Liefertreue Menge $\frac{\sum_{Wareneingang} Max(0;;100*(1-\frac{\lvert Bestellmenge - Liefermenge\rvert}{Bestellmenge}))}{AnzahlWareneingänge}$	50 points
Accuracy of the delivery date Liefertreue Termin	50 points
Supplier in Escalation Level 1	- 50 points
Supplier in Escalation Level 2	- 100 points
Reactivity after non conformity (only by half-yearly consolidation)	- 5 / + 5 points
Total	370 points
Rating (weighted on 100 points)	A, B, C rating

A. Supreme
– Suppliers with a number of points over 90 points belong to the best of their category and will be preferred for strategical cooperations

B. Standard
– Suppliers with a number of points between 70 and 90 points fulfill the requirements of the SumiRiko AVS group to a large extent

C. Poor
- Suppliers with a number of points between 0 and 70 show strong need for improvement and particular attention should be paid for optimization
– Suppliers with a number of points < 50 should be blocked, if possible, because they cause repetitive additional expenses (extra costs)

4.15 Escalation levels / controlled shipping / temporary critical series Supplier

In such cases, the detection, solution and prevention of repeated nonconformity has become considerably optimized.

In the case of serious issues (quality, logistics performance or other issues), the problems will be handled within in a four-level model. In each level the supplier will directly be informed and involved in the process of solving the issue (see group form "temporary critical series supplier")

This escalation process should be considered as cooperation process between SumiRiko AVS and his suppliers. There are only two possibilities at the end of the probation time: increase or decrease of the classification level.

The problem-solving process with the supplier should follow following steps:

Quality meeting with supplier on the appropriate level

Analysis, why the issue could not be solved so far

Agreement on **corrective actions**

Agreement on the **exit criteria**

Agreement on the **probation time**

Frequent **communication**

Informing of the supplier company management

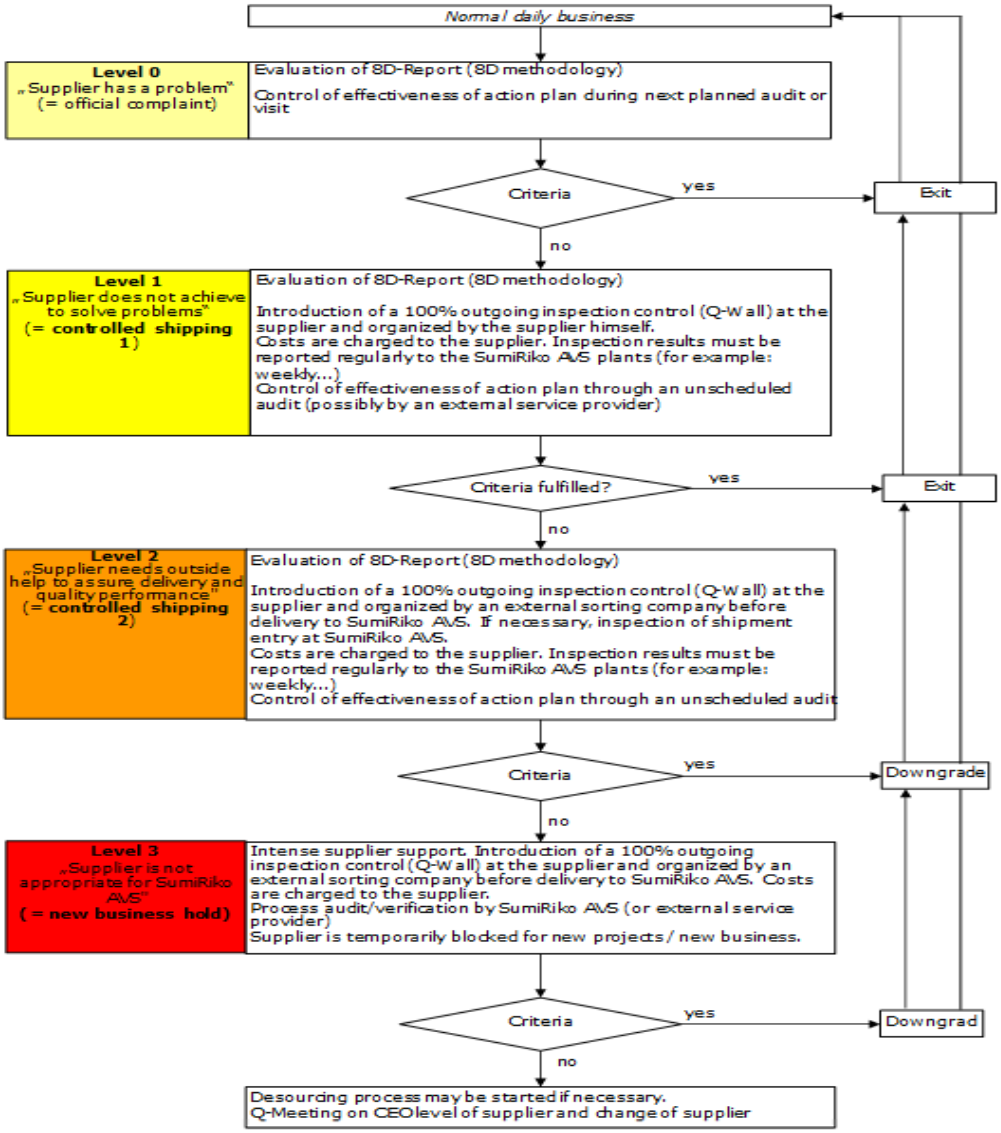
Action controlling plan

General exit criteria to return to daily business:

To exit an escalation level classification, the agreed countermeasures have to be fulfilled. The effectiveness of the countermeasures must be confirmed by SumiRiko AVS and the issue has to be solved in the defined probation time.

Suppliers that practice the zero nonconformance strategy and have an exemplary quality issue solving method, will not come in contact with this escalation process.

4.15_2 Escalation levels / controlled shipping / temporary critical series Supplier



4.16 REACH Report

As required during the QAP/APQP process suppliers shall comply with the EU Registration Evaluation Authorization and restriction of Chemicals (REACH) requirement.

"REACH makes industry responsible for assessing and managing the risks posed by chemicals and providing appropriate safety information to their users. In parallel, the European Union can take additional measures on highly dangerous substances, where there is a need for complementing action at EU level."

Reference: http://ec.europa.eu/growth/sectors/chemicals/reach_en

4.17 Material Safety Data Sheet

A material safety data sheet in accordance with GHS guideline must be sent and approved by the receiving SumiRiko AVS plant before delivery, of any chemicals used in production processes is allowed. The Globally Harmonized System (GHS) is an international approach to hazard communication, providing agreed criteria for classification of chemical hazards, and a standardized approach to label elements and safety data sheets.

4.18 Conflict minerals

Suppliers in all regions shall provide documentation and other information concerning the origin of any tantalum, tin, tungsten, gold or other minerals that may be designated in the future by any governmental agency (collectively referred to as "conflict minerals") that are contained within any products sold to SumiRiko AVS, in order for SumiRiko AVS to fulfil its obligations under the rules and regulations of set governmental agencies.

In accordance with CSR policies, SumiRiko AVS does not allow the use of minerals from conflict and high-risk regions. Therefore, the supplier shall have a clear policy and processes in place to ensure compliance with Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection and Consumer Protection Act. In addition, the policy and procedures shall be in line with the OECD Due Diligence Guidance for Responsible Minerals Supply Chains in Conflict-Affected or High-Risk Areas.

The supplier will complete the Conflict Minerals Information Template (see you link) and send it to SumiRiko AVS, with the aim of improving transparency on the origin of these types of minerals in our value chain.

https://www.responsiblemineralsinitiative.org/reporting-templates/cmrt/

4.19 Perfluorooctanoic acid (PFOA).

Its salts and PFOA Compounds have taken effect as of 4th July 2020 within the framework of EU Regulation 2019/1021 like Persistent Organic Pollu-tant (POP).

In order to ensure a PFOA-free supply of all components to the SumiRiko AVS Group, we kindly ask you to support us in creating transparency regarding your PFOA-free status, therefore we ask you to inform us if the products you supply to us contain PFOA, ensuring also for your supply chain.

4.20 Substances of Very High Concern (SVHC) article 7, 31 and 33 of the REACH regulations.

If the products you supply are on the SVHC list, you must comply with Articles 7, 31 and 33 of the REACH Regulation, and therefore:

- Notify ECHA - This obligation applies if the substance is present in such articles in quantities greater than one ton per year and if the substance is present in such articles in a concentration greater than 0.1% by weight.

- The GADSL list is updated twice a year, the supplier should check on his own if his product or material contains a SVHC material and if "yes" send a notification to SumiRiko within 3 months after publication of the GADSL.

- EU and EEA suppliers of mixtures not classified as hazardous under the Regulation on classification, labelling and packaging of substances and mixtures (EC) No 1272/2008 have to provide recipients, upon request, with a safety data sheet if the mixture contains at least one substance with an individual concentration in the mixture ≥ 0.1% by weight for non-gaseous mixtures; and

that substance is on the candidate list under Article 57(d) (persistent, bio accumulative and toxic (PBT)), (e) (very persistent and very bio accumulative (vPvB)) or (f) (substance of equivalent concern).

Therefore, we kindly ask you to inform us whether the substances provided are on this list (SVHC). SCIP No. needs to be announced to SRK and permission for referencing must be granted (EU suppliers only).

If there are any changes in the composition of the product, the SumiRiko Group must be informed immediately and the reference documentation must be updated.

If there is any change in the composition of the product, SumiRiko Group must be informed immediately and the reference documentation must be updated.

For articles containing a SVHC, SRK requires a material certificate with the chemical compositions for each delivery batch. See 3.3

4.21 . Additional Health and Safety requirements

In terms of health and safety for SumiRiko AVS employees, the supply chain is required to comply with the following Directives :

The Chemical Agents Directive (Directive 98/24/EC) sets out the minimum requirements for the protection of workers from risks to their safety and health -arising or likely to arise- from the effects of chemical agents in the workplace or the use of chemical agents at work. It lays down indicative and binding OELs, as well as biological limit values.

The Carcinogens and Mutagens Directive (Directive 2004/37/EC) sets out the minimum requirements for protecting workers against risks to their health and safety -arising or likely to arise- from exposure to carcinogens and mutagens at work. It lays down preventive and protective measures, as well as exposure limits.

The Directive applies to a substance or mixture that meets the criteria for classification as a Category 1A or 1B carcinogen or Category 1A or 1B germ cell mutagen set out in Annex I to the CLP Regulation. In addition, it applies to carcinogenic substances, mixtures or processes referred to in Annex I to the Directive, as well as a substances or mixtures released by a process in that annex.

4.22 Tools & Gauges Labelling

All Tools and Gauges, property of SumiRiko AVS, or belonging to SumiRiko AVS on the behalf of SumiRiko AVS Customers, must be properly labeled/identified by the supplier according to SumiRiko AVS requirements.

4.23 Product Traceability according VDA standard

All Suppliers to SumiRiko AVS must have an identification system that distinguishes one lot/batch/part from another when shipping finished product according VDA standard (4902, Version 4).

Each lot/batch/part of material should be clearly identified on the product (where applicable) according to the part drawing or as agreed if not specified on the drawing, and on the product packaging.

The traceability system must comply with the FIFO (First In – First Out) principles for incoming and outgoing material.

4.24 Sustainable products. CO2- neutrality

Customers demand that the supplied products must be CO2-neutral in the coming years, so all products to be delivered in the coming years must be produced in a CO2-neutral manner and this includes the supply chain.

- Therefore, as a SumiRiko supplier, you should take measures to minimize the impact on climate change resulting from the activity related to the products you supply to us. The supplier shall work to reduce its CO2 emissions, defining reduction targets for the coming years.

- Regarding waste, the supplier shall have systematic waste management processes, especially those derived from its production activity for SumiRiko AVS.

- Therefore, SumiRiko's supply chain must respond, when required, to requests for information on the CO2 emissions of the products it supplies to us as well as the management of waste linked to the product supplied.