# Quality Guideline for Suppliers to the Chemical Industry

## Introduction

The suppliers to Freudenberg Sealing Technologies and its affiliated companies (hereinafter referred to as FST) are an integral part of our process chain. The resulting requirements for the suppliers' quality management system form the basis of the cooperation between FST and its suppliers, and define the technical and organizational framework conditions and processes between FST and the supplier that are necessary to achieve our common goals. They are part of the quality policy and integrated into the overall strategy of FST. Special attention is paid to the unconditional fulfillment of customer expectations and the consistent pursuit of the zero-defect objective in conjunction with error-free delivery quality. They describe the minimum requirements for the suppliers' management system with regard to quality assurance. Individual descriptions are provided for explanatory purposes.

**The currently valid version is published at [www.fst.com](http://www.fst.com).**

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# Confirmation

## Quality Guideline for Suppliers to the Chemical Industry

We hereby acknowledge receipt and acceptance of this “Quality Guideline for Suppliers to the Chemical Industry” valid for all procurement processes of Freudenberg Sealing Technologies GmbH and its affiliated companies.

Company: _____

Address: _____
(company stamp)
_____

Legally binding signature & date: _____ _____

Name and function of the undersigned _____ _____

If applicable and mutually agreed, comments and/or amendments are attached in the

attachment from :_____

Rev. 2.0

**Please complete this confirmation in full and upload a signed version** (including an attachment, if applicable) to **your supplier profile in the FST Supplier Portal at www.fst.com.**

The “Quality Guideline for Suppliers to the Chemical Industry” is published in German and English. Translations into other languages are for explanatory purposes only and are not contractually binding. In case of doubt, the German version always takes precedence.
This “Quality Guideline for Suppliers to the Chemical Industry” remains the property of Freudenberg Sealing Technologies. The supplier is entitled to make copies for his own use.

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## 1. Objective

This **Quality Guideline for Suppliers to the Chemical Industry** defines the quality requirements for all services and/or products provided and/or supplied to FST.

The points listed do not represent any restrictions of the relevant regulations such as ISO 9001 and IATF 16949 in the respective valid edition.

## 2. Responsibility, scope

### 2.1 Contact person

The supplier's negotiating partner for all contractual agreements is FST Supplier Development and Governance (hereinafter referred to as SDG). Contacts with other specialist departments are to be coordinated by SDG.

### 2.2 Scope

The "Quality Guideline for Suppliers to the Chemical Industry" applies to all externally provided processes, products and services that have an influence on the fulfillment of customer requirements.

## 3. Quality policy and quality objectives

### 3.1 Quality management system of the supplier

a)

**Suppliers of the scopes mentioned under 2.2 must undertake to permanently apply a certified quality management system according to the current revision level of ISO 9001 and or IATF 16949.**

Non-manufacturing suppliers, such as trade organizations, importers, sales and representation companies, etc., must provide FST with proof that the sub-supplier who manufactures and/or processes the product for FST applies a certified quality management system in accordance with the current revision of ISO 9001 and/or IATF 16949.

All changes to the certification status as well as special status notifications according to IATF 16949 must be communicated to SDG without being asked.

The supplier shall ensure by means of a suitable company organization that no damage is caused to the legal assets of third parties, in particular in connection with the product responsibility for the products delivered. For this purpose, the supplier may train and appoint an employee as "Product Safety&Conformity Representative" (PSCR for short). The supplier will provide SDG with evidence of the appropriate company organization, by providing the name of the PSCR, for example.

b)

**The supplier is committed to the zero-defect target and must continuously improve its performance to this end. The obligation to pursue continuous improvement (CIP) applies.**

The specifications defined between the supplier and FST shall be deemed to be maximum values. Within these maximum values, individual quality agreements may be agreed between FST and the supplier. This does not release the supplier from the obligation to pursue the goal of zero defects.

The supplier undertakes to cooperate on quality-improving programs with the specialist departments of FST.

- The supplier's quality management system must focus on prevention rather than detection of defects.

- Risks or deviations are to be identified at an early stage by using error prevention and analysis methods (e.g. FMEA, SPC DoE, etc.), and appropriate error prevention measures are to be implemented without delay.

c)
The supplier is responsible for the use of the appropriate measuring and testing equipment (including testing software). All measuring and test equipment must be approved by using a test equipment monitoring system, the capability must be proven by means of measuring system analysis.
The monitoring of test equipment and its organizational control must always be carried out using an appropriate system.
Insofar as FST provides the supplier with test equipment, the supplier must include this in his own test equipment monitoring or maintenance.
On all measuring and test equipment, evidence of calibration status is to be marked as follows:

- Test equipment number
- Test equipment status
- Next test date

**3.2 Quality management system of subcontractors**

The supplier is fully responsible for ensuring the quality of sub-suppliers. When selecting subcontractors, the supplier must ensure the quality capability of the subcontractor. The supplier is requested, where possible, to use only such subcontractors for the award of subcontracts that are demonstrably certified by a recognized certification company. FST reserves the right to request evidence of the quality management system from subcontractors.

**3.3 Process and product audit (at the supplier)**

The term approved supplier basically refers to the scope of the certificate certified by a third party.

FST is entitled to determine whether the supplier's quality assurance measures ensure compliance with the customer's requirements by conducting an audit. The audit may be carried out as a process or product audit and is to be agreed in due time prior to the planned performance. If required, reasonable restrictions of the supplier to safeguard his trade secrets are to be contractually agreed.

The supplier shall undertake to audit his subcontractor upon FST's request.
FST reserves the right to conduct an audit at the subcontractor's premises in coordination with the supplier.

**3.4 Documentation, information**

a)
The supplier is obliged to manufacture, test and deliver in accordance with the latest valid documents. Documents that belong to FST and its customers are to be treated as trade secrets. As a matter of principle, documents may not be disclosed to third parties. Any disclosure requires the written consent of FST. The archiving period for documents with special features is 15 years after the end of series production at FST. The supplier agrees to grant FST access to these documents upon request. Documents are to be destroyed after expiry of the archiving period in such a way that no reconstruction thereof is possible.

b)
The supplier must ensure through the entire series / batch production that only products are delivered to FST that fully comply with the specifications and other technical documents as well as the agreed function of the delivered product.

c)
If it becomes apparent that agreements made (e.g. on quality characteristics, deadlines, delivery quantity) cannot be complied with, the supplier is obliged to inform FST without undue delay, the transaction-related data and facts are to be disclosed accordingly. Any deviations of the actual quality from the target quality of the products (quality slumps) must be reported to FST within 24 hours and include a corrective action plan.

d)
Any changes in manufacturing processes, materials, procedures for testing the products, suppliers or other quality assurance measures or relocation of manufacturing sites are to be reported to FST in due time prior to implementation for testing and be approved by FST.

The changes to the product and in the process chain mentioned above are to be documented in a product life cycle and be submitted to FST upon request.

e)
For customer-specific input materials and services, only sub-suppliers approved or nominated by FST may be used in procurement.

## 4. APQP Advanced Product Quality Planning Quality Preplanning Process

### 4.1 Requirement

FST expects suitable advance quality planning methods (APQP) for potential error prevention and for continuous process improvement from its suppliers. All individual processes, from development to series/batch production must be covered and mapped. The QVP is to be coordinated between the responsible departments of FST and the supplier and progress is to be monitored regularly. If FST does not participate in this advance planning, the supplier must carry it out on his own responsibility.

### 4.2 Manufacturability assessment

The supplier undertakes to carry out a manufacturability assessment during the development for new products or processes and to submit it to FST upon request.
In the manufacturability assessment, it must be demonstrated that a product can be manufactured according to specification under series/production conditions. If possible, specified tolerances are to be evaluated statistically. Furthermore, a statement must be made as to whether the supplier's capacity permits the delivery of the planned quantities and whether the planned deadlines can be met and the packaging selected ensures the preservation of the product quality during transport and storage.

The manufacturability evaluation must be performed under the responsibility of the supplier and in coordination with the responsible department of the LC/GBs of FST for new or changed products and specifications, production and process changes or for major volume increases.

### 4.3 Process flow chart/ manufacturing specification

The supplier undertakes to draw up a process flow chart/manufacturing specification in which all work steps, automatic queries and test points are identified and safeguarded by references to potential problems. The material identification and material flow must be defined in such a way that the processing of incorrect materials or products can be ruled out.

### 4.4 Preventive methods

The supplier agrees to use FMEA's or other suitable preventive methods for products for early detection and avoidance of defects in the product and the process. These are to be continuously updated with regard to development and process changes as well as product use. The product characteristics and process parameters determined to be critical, in particular defined and agreed special characteristics, must be adopted and marked by the supplier as special characteristics in the control plan.

FMEAs are to be performed or updated for the following conditions :

- Development and production of new products
- Introduction of new processes or manufacturing methods
- Changes to processes
- Changes to drawings

- Quality issues (internal and external)
- Relocation
- Continuous improvement process (evaluate the highest identified risks in FMEA and introduce measures to minimize risks).

**4.5 Production control plan**

Instructions for product and production process control, especially for particular (critical and significant, special characteristics) characteristics must be defined in a production control plan, always be applied and updated.

A production control plan is to be put to use by the supplier during the entire lifecycle of a product and is to be kept up to date in accordance with the current requirements, both in the pre-series and in the series production phase; upon special request for the sample phase as well.

**4.6 Facilities, maintenance**

The supplier is obliged to plan the procurement of new or modified measuring instruments and equipment in such a way that a timely supply of FST with products conforming to specifications is ensured. Production equipment must be kept in the condition of a specification-compliant product manufacture by adhering to a proper maintenance plan. Insofar as FST makes production equipment available to the supplier, the supplier must include it in his own production equipment monitoring or maintenance.

The supplier is obliged to continue to supply FST with the products ordered for the production of spare parts for FST's customer following series delivery. Unless otherwise specified by FST, this delivery obligation shall exist for a period of 15 calendar years from FST's notification of the discontinuation of series production. The supplier is obliged to keep all tools, equipment and other operating resources required for the fault-free manufacture of the product for FST without additional costs for the period of 15 years in a condition that ensures that production can be resumed at short notice.

**4.7 Traceability, identification**

The traceability of the products supplied throughout the entire process chain, including input material, must be ensured by the supplier without any gaps as part of the root cause analysis, in particular to limit defective and faulty stocks in circulation and transport. An immediate 100% inspection or sorting test (if necessary batch-related) of these stocks is to be carried out by the supplier.

The following minimum information applies to the labeling of the overpack and individual packaging:

- Article designation (in accordance with the safety data sheet)
- Filling quantity/unit of measure
- Vendor name
- Supplier's part number (and FST material number, if applicable)
- Optionally, the production or expiration date
- Batch no.
- Customer revision level

Additional information in the event of changes in signal color in the note "Attention new state of change."

Likewise, alternate material must be clearly marked as such.

The production status and test decision must be recognizable on all production lots and partial production lots. Different batches are to be separated, a batch-pure delivery is to be guaranteed.

**4.8 Audits, complaints and measures**

a)
The supplier is responsible for defining an inspection concept for the product and process in order to ensure stable processes and to meet the agreed targets and specifications.

b)
Process capability is to be demonstrated throughout the entire production time for agreed, functionally relevant, special and critical characteristics by employing appropriate procedures (e.g. statistical process control or manual control chart technology).

Special features are identified as such on specifications or standards or agreed in separate annexes.

c)
In the event of process disturbances and quality deviations, the causes must be analyzed, improvement measures must be initiated immediately, and their effectiveness must be monitored. Products from the affected and subsequent processes must be checked. Meaningful problem-solving techniques that can be tracked by FST are to be applied. FST must also be informed immediately of any deviations subsequently detected in goods in the delivery process or goods already delivered.

d)
In the event of defective deliveries, the supplier agrees to immediately take measures to limit the damage and permanently eliminate defects (replacement deliveries, sorting or reworking).
The complaints are to be processed at least according to the 8-D system, including an 8-D report.
Reworked and/or sorted product deliveries require the written approval of the responsible FST department.
The delivery of goods must be specially marked, and the marking must be clearly visible on the delivery of the respective goods.
FST reserves the right to charge all costs incurred in connection with a complaint to the supplier. FST will charge the supplier € 200 per transaction for the processing costs incurred in connection with a complaint.

e)
FST will limit its inspection of incoming goods to ascertaining compliance with the quantity and identity of the contractual products on the basis of the delivery note data as well as obvious transport and packaging damage.
FST will notify the supplier of any defects found in a delivery without undue delay in the ordinary course of business.
In this respect, the supplier waives the objection of delayed notification of defects.

## 5. Supply chain

**5.1 Quality documents and specifications**

Delivery dates are to be adhered to exactly. For this purpose, the planning information is to be coordinated with the demand units within FST.

FST will provide specifications / requirement specifications for the manufacture / provision of services. Within the scope of its document review, the supplier must immediately report to FST any defective or missing documents that could lead to an impairment of the defect-free or on-time product manufacture or delivery and service provision.

The supplier agrees to record the costs for additional freight and notify FST.

Production lot/batch-related test certificates, e.g. the acceptance test certificate according to DIN EN 10204 3.1, must be archived by the supplier. The retrievability of the acceptance test certificates within one working day must be ensured. Upon request, these test certificates are to be enclosed with the accompanying documents for the respective delivery.

**5.2 Packaging and cleanliness**

The packaging concept must be approved by FST. Effects of the packaging selection on the product quality are to be checked. If necessary, packaging and transport tests are to be carried out to ensure consistent product quality. Changes to the packaging must be announced 6 months in advance.

Suppliers are requested to seek approval on the use of certain specified cleanliness requirements. The same applies to packaging materials, in particular circulation containers (e.g. lattice boxes, small load carriers, etc.). Circulation containers are to be checked for proper condition at regular intervals.

## 6. Supplementary requirements

**6.1 Training courses**

Employees of the supplier are to be trained to perform their respective tasks and, if necessary, receive separate technical training in particular for the respective manufacturing process of the product from FST with the objective of faultless product quality. This also includes the personnel deployed on a temporary basis. For this purpose, an additional training program is to be drawn up that is to also include management.

**6.2 Emergency management**

Malfunctions and events affecting product quality, the delivery date, delivery quantity, etc. must be reported immediately to the persons responsible for requirements at FST. A copy of the notification is to be sent to FST SDG. An immediate action plan that includes risk assessment and assurance of delivery capability is to be attached to the disruption notification within 24 hours. The supplier agrees to designate a single qualified contact, who, if necessary, will be available to FST Purchasing without restriction depending on the severity of the case. The supplier's management will be involved in the processing.

FST reserves the right to apply special status classifications (e.g. supplier block for new business, controlled-shipping, etc.) in full to the supplier in accordance with the "causer pays" principle.
These can be, for example:

**Controlled Shipping Level 1 (CS-1)**

Description:

The CS-1 status triggered by FST obligates the supplier, in addition to the regular inspection and control process, to immediately enact an **additional** inspection, control and sorting process for a specific and/or specified non-conformity or deviation, accompanied by a detailed root cause analysis at the supplier's site. The CS-1 process is to be performed by the supplier's personnel appropriately trained on the measures.

**Controlled Shipping Level 2 (CS-2)**

Description:

In the CS-2 process, an additional inspection, control and sorting process is to be carried out by third parties appointed by FST while the CS-1 process is continued at the same time. In addition, the ongoing measures in the form of process and/or product audits are to be reviewed for their effectiveness by FST or a third party appointed by FST.

The supplier is obliged to apply the respective standard in full over the agreed period of time, and all costs incurred by FST in this respect are also to be borne by the supplier.

## 7. Supplier qualification

As a matter of principle, FST reserves the right to evaluate and classify suppliers using the product and process evaluation methods defined by FST. This is independent of the certification status of the supplier

### 7.1 Supplier selection & approval

In principle, a supply contract for production material is to only be concluded with suppliers who have achieved the status “Unrestricted approval.”
In the event of non-fulfillment, the supplier is obliged to implement improvement or remedial measures to achieve this status within 3 months.

### 7.2 Continuous supplier development & performance evaluation

FST conducts regular performance evaluations of its suppliers using a process-oriented evaluation system.

The following services are to be evaluated here:

Block 1 – Quality

- Conformity/non-conformity of the delivery
- Number of complaints
- Special status due to quality issues
- Certifications

Block 2 – Delivery reliability

- Compliance with delivery quantity against agreed order quantity
- Compliance with delivery date against agreed date
- Special status due to delivery issues

Block 3 – Service

a.o.

- Cost behavior (TCO = Total Cost of Ownership)
- Innovation & engineering
- Cooperation, reliability, special freight charges

The performance evaluation takes place in the levels A – B – C. Suppliers with classification B and C are obliged to initiate improvement measures to achieve status “A.” FST reserves the right to take on-site measures with the support of the supplier as part of its supplier development.

All ‘B’ and ‘C’ suppliers are obliged to submit a catalog of measures to improve the situation. If this is not effective within a given period of time, FST will work out an escalation plan with the supplier.

Suppliers with classification ‘C’ are placed in status ‘07 New business Hold’ until effective implementation of the initiated and approved measures and are thus blocked for new products.

FST’s goal is to work permanently only with “A” rated suppliers.

## 8. Initial sampling

### 8.1 Sampling requirements for raw materials

The provision of raw material samples for approval by FST must be carried out under series production conditions on the basis of the most recently valid specification approved or to be approved by FST.
Sampling must be performed in the following cases:

- New product
- Changes to the material/ingredients
- Changes to the product manufacturing process
- Use of new subcontractors / subcontractors
- Relocation of production sites
- Change in packaging
- Production interruption longer than one year
- After a delivery stop due to massive quality problems

The sample order is to be triggered by FST. Prior to this, the following documents must be provided and sent to the responsible office in the company (MC/RM):

- MSDS in the local language and English according to the legal requirements (e.g. in EU according to REACH regulation)
- Technical data sheet, national language or English
- Specification
- Certificate of analysis and lot/batch no. (on delivery)
- If necessary, further required approvals on request
- In case of changes, technical comparisons/reports are required (old/new)

FST will test the product to the required extent prior to the start of series production and, if necessary, grant the supplier approval, taking any conditions into account.

**8.2 Sampling requirements for raw materials from non-series production**

The provision of raw material samples from test reactors is subject to a separate development process and requires close coordination between the technical managers of both companies. Corresponding action plans/discussion protocols are to be submitted.

The sample order is to be triggered by FST. Prior to this, the following documents must be provided and sent to the responsible office in the company (MC/RM):

- MSDS in the local language and/or English according to the legal requirements (e.g. in EU according to REACH regulation)
- All other documentation at this time is project specific and may be subject to a GHV

If a sample becomes a series raw material for the supplier, proceed according to clause 8.1. FST is to be notified of this immediately in advance. The respective documents are to be made available to FST.

## 9. Contractual agreements

**9.1 Warranty and liability**

The provisions on warranty and liability are governed by the contractual agreements between the parties and – subordinately – by the terms and conditions of purchase (https://www.fst.com/company/suppliers/).

The supplier is obliged to ensure that his products fully comply with the quality requirements set out in the product specifications. He guarantees this at least for the duration of the statutory period of the recipient country. This period cannot be shortened by unilateral declarations.
The supplier is obliged to take out appropriate product liability insurance.

**9.2 Secrecy**

The contracting parties undertake to treat all internal company information as confidential. More detailed provisions shall be subject to a separate non-disclosure agreement concluded between the contracting parties.

**9.3 Other contractual agreements**

Other contractual agreements beyond the quality guideline remain unaffected.

## 10. Compliance with laws and regulations and REACH conformity

**Declaration of legal conformity**
The supplier warrants that he will comply with all applicable laws and regulations in the manufacture of goods and provision of services, including but not limited to the areas of machine safety, chemicals and hazardous substances law, environmental protection and occupational health and safety. This also includes the Supply Chain Due Diligence Act applicable as of January 1, 2023.

All purchased parts and materials used for the subject matter of the contract in the Supplier's production must comply with the applicable legal regulations in force in the country of manufacture and or in the country of performance of the contract.

In addition, all substances and substance groups according to VDA 232-101 "List of declarable substances" must be stated in the initial sample test report, insofar as they exist in the products or can be released.

With reference to the "End-of-Life-Vehicle" directive of the European Union (EU), the supplier also undertakes to enter all substances and substance groups in the IMDS database.

If applicable, the AIAG guidelines for safeguarding special manufacturing processes (CQI 9 – Heat Treatment Assessment, CQI 11 – Plating System Assessment and CQI 12 – Coating System Assessment) are to be ensured by the supplier. Assessments are to be carried out regularly as part of internal audits. The results of these audits are to be made available to FST upon request.

The supplier is obliged in particular to observe prohibitions in the production, processing and use of certain substances, for example:

- **ROHS** (EC Directive: "Restriction of the use of certain hazardous substances in electrical and electronic equipment"), and the respective current implementation in national law.

- **ELV** (EC Directive: "End-of-Life Vehicles Directive"), as well as the respective current transposition into national law.

The supplier acknowledges that violations of applicable laws and regulations, in particular substance prohibitions and restrictions, lead to a defect in the goods delivered or services rendered. The supplier shall indemnify FST against all claims of third parties, expenses, costs and damages caused in connection with such a violation by the supplier.

**11. REACH Declaration of Conformity**

The supplier acknowledges that FST as a manufacturer of products is a so-called downstream user ("Downstream User") within the meaning of REACH and warrants that he will comply with all REACH provisions which REACH expressly imposes on the supplier or conduct that is necessary with regard to REACH in order to process, sell or distribute within the EU corresponding products on the part of FST. This includes in particular: (a) pre-registering, registering or authorizing chemical substances or preparations to the extent required by law, (b) implementing internal organizational measures documenting REACH compliance, (c) ensuring that any use of chemical substances or preparations in products (including packaging materials), (c) ensure that any use of chemical substances or preparations in products (including packaging materials) that FST or a customer of FST has indicated/notified to the supplier is covered by the relevant (pre-)registration or authorization, (d) inform immediately if a substance or preparation that has been pre-registered is not covered by the relevant (pre-)registration or authorization, (e) inform immediately if a substance or preparation that has been pre-registered is not covered by the relevant (pre-)registration or authorization.

(e) not to sell products of any kind containing banned substances of very high concern (SVHC) ((a) to (e) together "Warranties").

The supplier also acknowledges that breaches of the above warranties lead to a defect of the substance, preparation or other product. The supplier shall indemnify FST against all claims, expenses, costs and damages caused by the supplier due to a breach of the above warranties and assist FST in enforcing them at his own expense.

## 12. Glossary *(alphabetically sorted)*

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| APQP | Advanced Product Quality Planning |
| SDG | Supplier Development and Governance |
| CS | Controlled Shipping |
| DoE | Design of Experiments |
| EMPB | Initial sample inspection report |
| FST | Freudenberg Sealing Technologies |
| FMEA | Failure Mode and Effects Analysis (FMEA) |
| IMDS | International Material Data System (IMDS) |
| KLT | Small load carrier |
| CIP | Continuous improvement process |
| LC | Lead Center |
| MC | Material Center |
| QA | Quality assurance |
| QVP | Quality Preplanning |
| RM | Raw Materials Management |
| SPC | Statistical Process Control (SPC) |
| TS | Technical specification |
| VDA | Association of the Automotive Industry |