Quality Guideline for Suppliers

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.

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04	12/20/2022	change § 3,4,8,9	Miller	Global Vice President of Purchasing & Supplier Development

Confirmation

Quality Guideline for Suppliers

We hereby acknowledge receipt and acceptance of this “Quality Guideline for Suppliers” valid for all scopes of procurement described therein of Freudenberg Sealing Technologies GmbH and its affiliated companies.

Firma: _____

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. 04

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 Supplier Quality Guideline is issued 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” 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 **Supplier Quality Guideline** defines the main quality requirements for all services and/or products provided and/or supplied to Freudenberg Sealing Technologies and its affiliated companies (hereinafter referred to as 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 will be coordinated by SDG.

2.2 Scope

The "Quality Guidelines for Suppliers" apply 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 are obliged to permanently use a certified quality management system according to the current revision level of ISO 9001 and or IATF 16949.

The minimum requirement is certification to ISO 9001 by an accredited certification body. Suppliers for automotive and service parts must be certified according to IATF 16949 . If this proof is missing, a development plan for achieving this certification must be prepared and submitted to FST upon request.
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 uses a certified quality management system in accordance with the current revision of ISO 9001 and/or IATF 16949.

All changes of the certification status as well as special status notifications according to IATF 16949 must be reported to SDG without being requested to do so.

The supplier ensures 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 shall provide SDG with evidence of the appropriate company organization, by announcing who the PSCR is, for example.

b)

The supplier is committed to the zero-defect target and must continuously improve his performance to this end. The obligation to pursue continuous improvement (CIP) applies.
The quality target values defined by FST (e.g. PPM) are to be considered 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 strive to achieve zero defect target values. Sampling according to AQL (Acceptable Quality Limit) is not accepted by FST.

The supplier undertakes to cooperate by participating in 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 must be identified at an early stage by using error prevention and analysis methods (FMEA, SPC, DoE, etc.), and appropriate error prevention measures must 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 a measuring system analysis.
The monitoring of test equipment and its organizational control must always be carried out using a suitable system.
Insofar as FST provides the supplier with test equipment, the supplier must include this in his own test equipment monitoring or maintenance.

With regard to repeatability and comparability, the corresponding requirements of VDA Volume 5 or AIAG Measurement System Analysis "MSA" as well as the current DIN ISO standards 1319 Part1, 10012 and 17025 apply.

On all measuring and test equipment, evidence of calibration status must be marked as follows:

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

3.2 Quality management system of subcontractors
The supplier shall oblige his subcontractors to comply with the obligations assumed by him under this contract. The supplier is fully responsible for ensuring the quality of sub-suppliers. When selecting sub-suppliers, the supplier must ensure the quality capability of the sub-supplier in the form of a quality audit according to VDA 6.3 in accordance with the current revision status. When awarding subcontracts, the supplier is requested to use only those subcontractors that are demonstrably certified by a recognized certification company.
FST reserves the right to request evidence of the quality management system from subcontractors.

The capability parameters required by FST as described in item 4.9 b) are binding for the subcontractor as well.

3.3 Audit (of the supplier)

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

a)
FST is entitled to determine by means of an audit whether the supplier's quality assurance measures ensure compliance with the customer's requirements. The audit can 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 can be contractually agreed.

b)
The supplier undertakes 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.

c.
The supplier is obliged to carry out process audits.
These are to be carried out according to VDA 6.3 over each process, over all shifts within 3 years.

d.
CQI Special Processes / CQI Supplier Self Audit:
If applicable, the AIAG guidelines for safeguarding special manufacturing processes are to be ensured by the supplier. Assessments are to be carried out regularly as part of internal audits in accordance with the AIAG CQI guidelines at least once a year. The results and action plans from these audits are to be made available to FST upon request.

Process with a required self-audit:

CQI-9 (heat treatment)
CQI-11 (electroplated coating)
CQI-12 (surface coating)
CQI-15 (welding processes)
CQI-17 (soft soldering processes)
CQI-23 (plastic molding processes)
CQI-29 (brazing processes)
CQI-30 (rubber molding)

3.4 Documentation, information

a)
The supplier must manufacture, test and deliver in accordance with the latest valid documents. Documents belonging 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 retention period in such a way that their reconstruction is no longer possible.

b)
The supplier must ensure through the entire series 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.

The supplier warrants the full implementation and application of the agreed tests according to the production control plan as well as other test specifications and instructions. FST reserves the right, in the event of serious deviations, disruptions or risks to the achievement of the required quality, to bindingly determine the scope of testing in individual cases without this resulting in additional costs for FST. This shall apply in particular if non-fulfillment of the capability parameters (process capability) results in disruptions, complaints and failures at FST's customers that are causally attributable to the product supplied by the supplier.

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 and 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) are to be reported to FST within 24 hours together with a corrective action plan.

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

All changes to the product and in the process chain must be documented in a product lifecycle (e.g. in accordance with the current VDA Volume 2 "Assuring the quality of deliveries"). The product lifecycle is to be presented to FST upon request.

A production approval or PPAP sampling procedure must always be carried out The acceptance stage must be coordinated with the quality department of the procuring FST company.

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

4. APQP Advanced Product Quality Planning Quality Preplanning Process

4.1 Requirement

FST expects its suppliers to make use of the appropriate advance quality planning methods (APQP) for potential error prevention and continuous improvement. All individual processes from development to series production are to be covered and mapped.
For new projects, maturity assurance (RGA) is to be performed according to the VDA Volume current edition or AIAG PPAP, unless agreed otherwise with FST.
APQP is to be coordinated between the responsible departments of FST and the supplier; progress is to be monitored regularly. If FST does not participate in this advance planning, the supplier is obliged to carry it out on his own responsibility.
FST obliges the supplier to check the technical documents provided by FST for completeness.

As part of initial sampling, a manufacturability assessment or APQP must be performed at the request of FST.

Further details must be agreed with the quality department of the procuring company.

4.2 Manufacturability assessment

In the manufacturability assessment, it must be demonstrated that a product can be manufactured under series conditions according to the drawing and specification.

The manufacturability assessment must be carried out under the responsibility of the supplier and in coordination with the procuring FST company for new or changed products and specifications, production and process changes or in case of major increases in volume.

In particular, specified tolerances from a statistical point of view as well as the function and stress of the product must be taken into account. 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 selected packaging ensures the preservation of the product quality during transport and storage.

For this purpose, appropriate methods are to be used, such as:

- Design of Experiments (DoE)
- Failure Mode and Effect Analysis (FMEA; current version)
- Process capability analysis (SPC)
- Checklist on manufacturability assessment
- Run at Rate Capacity Check

Suggestions made by the supplier for reasonable changes and additions to drawings and specifications will be implemented by FST and in the sense of continuous improvement – where possible.

Border pattern
Limit samples define the quality of non-measurable properties by creating a visual acceptance standard. Limit samples must be manufactured using the approved series production process and marked accordingly as limit samples. The respective modification status and the usability of the limit samples must be guaranteed by the supplier.

4.3 Process flow chart

The supplier is obliged to draw up a process flow chart in the form of a graphic description of the entire manufacturing process, in which all work steps, automatic queries and test points are identified and backed up by references to potential problems in the FMEA and the control plan. The markings of the materials and the material flow must be defined in such a way that the processing of incorrect materials or products is ruled out (see sample process flow chart in the appendix).

4.4 Product and process

FST obligates its suppliers to systematically perform FMEAs for the early detection and avoidance of defects in both the product and the process. The product and process FMEA is to be continuously updated with regard to development and process changes as well as product use. The product characteristics and process parameters identified as critical by the FMEAs, in particular the “agreed special characteristics” defined by FST, must be adopted by the supplier as critical characteristics in the control plan and be marked.

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

- Development and production of new products
- Introduction of new processes or manufacturing techniques
- Process changes
- Drawing changes
- Quality issues (internal and external)
- Relocation of a site
- Continuous improvement process (evaluate the highest identified risks in FMEA and introduce risk minimizing measures).

Further details are to be coordinated with the quality department of the procuring company, if required.

4.5 Production control plan

Instructions for product and production process control, especially for the special (critical and significant, special characteristics) characteristics are to be defined in the production control plan, constantly be applied and updated.

A production control plan is to be used by the supplier throughout the entire lifecycle of a product and be kept up to date in accordance with current requirements, both in the pre-series and series production phases; on special request also for the prototype phase.
The specifications according to IATF 16949 must be complied with.

4.6 Tools, equipment, spare parts

The supplier is obliged to plan the procurement of new or modified tools, measuring devices and equipment in such a way that a timely supply of FST with products conforming to specifications is ensured. Tools and means of production are to be kept in the condition of a product manufacture in conformity with the specifications by adhering to a proper maintenance plan. Insofar as FST provides the supplier with means of production, the supplier must include these in his own means of production monitoring and/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 specified otherwise by FST, this delivery obligation applies 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, devices and other operating equipment 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. Spare parts and replacement products must be manufactured with original tools.

4.7 Packaging planning

Effects of packaging selection on product quality must be checked and selected in such a way that product quality is not impaired during storage and transport. If necessary, packaging and transport tests must be carried out to ensure consistent product quality.

4.8 Traceability, identification

a)

The traceability of the products delivered through the entire process chain, including input material, is to be ensured by the supplier without any gaps within the scope of the root cause analysis, in particular to limit defective and faulty stocks in circulation and transport. An immediate 100% inspection or sorting test of these stocks is to be carried out by the supplier.

b)

Labelling of overpacks and individual packages must be coordinated with the specialist department of the procuring company.

Unless agreed otherwise, the following minimum information applies to the marking of the overpack and individual packaging:

- Customer article number
- Customer revision level
- Article description
- Filling quantity/unit of measure
- Vendor name
- Supplier part number
- Optional production, shipping or expiration date
- Batch number, if necessary

Additional information for changes in the signal color “Attention new change of state.”

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 must be separated and delivery in a single batch must be ensured.

4.9 Audits, complaints and measures

a)

The supplier is to define an inspection concept on his own responsibility in order to meet the agreed targets and specifications.

b)

For functionally relevant, special and critical features, the process capability is to be proven by means of suitable procedures (e.g. statistical process control or manual control chart technology) over the entire production time. The supplier is to carry out the machine and process capability tests in accordance with the following automotive industry standards: VDA Volume 2, VDA Volume 4 or according to AIAG SPC.

Unless agreed otherwise, the following capability parameters apply:

Minimum requirement for capability values:

a.	Machine capability/short process capability	cm/cmk	1.67
b.	Process capability/long-term process capability	cp/cpk	1.33

The definition of these special characteristics for the function of the product and the quality of the processes takes place in the advance quality planning process. Special features are to be identified as such on drawings, specifications or standards, or be agreed in separate annexes.

c)
If the required process capability is not achieved and/or a random sample result indicates defective products, the quality must be assured using suitable test methods; the production process must be optimized accordingly in order to achieve the required capability. The inspection severity is to be increased accordingly (100% inspection, if necessary).

d)
In case of process disturbances and deviations in quality, the causes must be analyzed, improvement measures must be initiated immediately and their effectiveness must be verified. Meaningful problem-solving techniques that are comprehensible for FST are to be put to use. The minimum requirement is a report according to the 8-D system.

The following timing requirements must be met:

8D report up to point 3 (immediate action) – notification/information to FST within 24 hours.
8D report up to point 5 (root cause analysis + preparation of an action plan) – Communication/information to FST within 10 days.
Completion of 8D report – communication/information to FST as per agreed action plan within the 8D report.
The 8D process is to be validated by FST and be completed by FST.

In the case of official recalamations (Q2 report; no notice complaints), problem-solving tools such as the Ishikawa diagram, 5Why method, FMEA, FTA fault tree analysis, flowchart, etc. are to be put to use. Employee training will only be accepted as a partial measure if it is documented with an employee training record and appropriate training materials and provided to FST as evidence. FST expects the corrective action to prevent recurrence of the error. Measures to detect the error, such as Poka Yoke, are to be prioritized.

FST is also to be informed immediately of any deviations detected later on.
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 determining compliance with the quantity and identity of the contract products based on the delivery note data and any obvious transportation and packaging damage. Any defects discovered in a delivery are to be reported to the supplier by FST without undue delay in the ordinary course of business, and failed parts are to be made available to the supplier upon request. In this respect, the supplier waives the objection of delayed notification of defects.

f)
In case of defective deliveries, the supplier will immediately take measures to limit the damage and permanently eliminate defects (replacement deliveries, sorting or reworking). 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.

5. Supply chain

5.1 Quality documents and specifications

Delivery dates are to be adhered to exactly. For this purpose, the planning information must 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 is to record the costs for additional freight and inform FST accordingly.

Production lot/batch-related test certificates, e.g. an 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 of the respective delivery.

5.2 Packaging and cleanliness

The packaging concept must be coordinated with FST. Suitable packaging means are to be used that avoid any impairment of the products and comply with the current safety and environmental regulations. The same applies with regard to the selection of suitable transport methods.

The finished products are to be delivered in a clean condition so that further processing by FST is possible without taking additional measures / reworking. Furthermore, FST reserves the right to define additional requirements regarding cleanliness for certain articles. Suppliers are requested to clarify the application of certain specified cleanliness requirements. The same applies to packaging materials, in particular circulation containers (e.g. lattice boxes, small load carriers, etc.).

5.3 Products provided

Products and packaging provided by FST are to be checked for quantity, identity and visually recognizable damage. Faulty and/or damaged deliveries are to be reported to FST in writing within 24 hours. The consumption of delivery items provided is to be indicated in the delivery documents of the respective delivery.

6. Supplementary requirements

6.1 Training courses

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

6.2 Emergency management

Malfunctions and events affecting product quality, the delivery date, delivery quantity, etc. must be reported immediately to those responsible for covering demand 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 parts supply is to be attached to the disruption notification within 24 hours. The supplier is to designate a single qualified person who, if necessary, will be available to FST Purchasing without restriction depending on the severity of the case. The supplier's management is to be involved in the processing.

In particularly severe cases (e.g. field failures at FST's customer), special problem-solving techniques are to be used at FST's request, if necessary by involving an external service provider.
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.

Prerequisites for CS-1 Status:
- Repeat faults with safety-relevant risks for installation, function, etc.
- Insufficient process and product control to prevent nonconformity
- Quality incidents in the field (warranty, customer satisfaction)
- Production downtime at FST or the end customer

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 checked for their effectiveness by FST or a third party appointed by FST.

Prerequisites for CS-2 Status:
- All requirements of CS-1 Status
- Repeat error and/or failure of the CS-1 process

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 system, product and process evaluation methods defined by FST. This is independent of the certification status of the supplier

7.1 Supplier selection & approval
As a matter of principle, a supply contract for production material is only to 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 evaluated here:

Block 1 – Quality
- PPM and/or conformity/non-conformity of delivery
- Number of complaints
- Special status due to quality issues
- Certifications

Block 2 – Delivery reliability
- Compliance with the delivery quantity against the agreed order quantity
- Compliance with the delivery date against the 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 certain 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 Requirements

The initial sampling for approval under series conditions must be carried out on the basis of the last valid drawing and/or specification approved by FST.
Initial samples must be manufactured completely using standard operating equipment under standard conditions. Initial sampling must be carried out in the following cases:

- New product
- Repeated sampling
- Product design changes
- Changes to the material/ingredients
- Changes to the product manufacturing process
- Use of new tools and tool parts
- Use of new subcontractors / subcontractors
- Relocation of production sites
- Production interruption longer than one year
- After a delivery stop due to massive quality problems

Products submitted for acceptance must be taken from a representative production run. The following applies to sampling:

a)
Samples for products for regularly recurring deliveries (series deliveries) must be taken at least from a production quantity of 300 parts and a production run of at least one hour up to three shifts.

b)
In the case of sampling for project-related small-scale production (e.g. one-off production, small quantities, etc.), the initial sampling quantity must correspond to the delivery quantity of the first delivery lot.
The supplier shall strive for initial sampling as part of a run-at-rate production run.

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.
For production process and product approval, the machine capability index and/or the process capability index for the agreed characteristics is to be specified.

8.2 Presentation stage according to PPAP or PPF

In general, the supplier shall carry out a PPF procedure coordinated with FST in accordance with the latest valid version of VDA Volume 2.
Irrespective of the agreed scope of the PPF procedure with FST, the supplier shall carry out its own internal release and document the results for all requirements. FST reserves the right to request the supplier's sampling documents if required.

The PPAP or PPF evidence is to be appropriately identified as such and be provided to FST separately.
The product release process (production process and product release; PPAP) is to be carried out either in accordance with the latest valid version of VDA Volume 2 (PPF) or in accordance with PPAP, the production parts acceptance procedure of the AIAG.

In special cases, FST expressly reserves the right, in consultation with the supplier, to perform sampling at the supplier's premises in accordance with submission level 5.

8.3 Other patterns

The conceptual designation and the definition of the different types of samples are regulated in standard DIN 55 350, Part 15. As a general rule, the samples to be supplied to FST are delivered as a separate delivery to the requesting department of FST, stating their designation (e.g. test sample).

8.4 Material data acquisition

Material data acquisition is part of the sampling. The supplier is to enter the required data into the IMDS database (International Material Data System) and make it available to FST free of charge. Furthermore, the supplier is to submit a concept for disposal or reuse upon request by the purchaser.

8.5 Requalification test

All products must be subjected to an annual requalification test in accordance with the production control plan, unless agreed otherwise with FST. The basis for the requalification are the valid FST specifications. The results are to be documented in accordance with the EMPB documents and made available to FST upon request. In case of deviating test results from the release status, FST is to be informed immediately including the current process capabilities.

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 must ensure that his products comply fully 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 making unilateral declarations.
The supplier is obliged to take out appropriate product liability insurance.

9.2 Secrecy

The contracting parties are obliged to treat all internal company information as confidential. More detailed provisions shall be governed by 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

Declaration of 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 chemical and hazardous materials law, environmental protection and occupational health and safety. This also includes the supply chain due diligence law 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 are contained 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.

The supplier agrees 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 material) which FST or a customer of FST has indicated/notified to the supplier, is covered by the relevant (pre-)registration or authorization, (d) to inform immediately if a substance or preparation which has been pre-registered is not to be or cannot be finally registered within the relevant transitional period and (e) not to sell products of any kind containing prohibited substances of very high concern (SVHC) ((a) to (e) together "Warranties").

The supplier further acknowledges that breaches of the above warranties result in 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 shall support FST in enforcing them at his own expense.

12. Glossary *(alphabetically sorted)*

APQP	Advanced Product Quality Planning
SDG	Supplier Development and Governance
CS	Controlled Shipping
DoE	Statistical 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
MSA	Measurement System Analysis
PPAP	Production Part Approval Process
PPF	Production process and product approval
PPM	Parts Per Million
QVP	Advance quality planning methods
SPC	Statistical Process Control
TS	Technical specification
VDA	Association of the Automotive Industry

13. Appendices and references in literature

13.1 Literature references

- Part Submission Warrant (PSW) (according to the current edition of the PPAP brochure)
- PPAP – Dimensional Results on PSW (according to the current edition of the PPAP brochure)
- Cover sheet initial sample inspection report VDA (according to the valid version of VDA Volume 2)
- Control plan form (test plan, according to the current version of the APQP Reference Manual)
- Form Failure Mode and Effect Analysis (FMEA, according to the current version of the APQP Reference Manual)
- Data sheets for the specification of ingredients in purchased parts (according to the valid version of VDA Volume 2)