



Supplier Quality Manual

Fourth Edition, October 2022

Your needs. Our drive.

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1. Objective

The Supplier Quality Manual was developed to describe and define AD Plastik requirements and expectations on all AD Plastik-approved parts and material Suppliers in supplemental AD Plastik General Terms and Conditions for the purchase of goods and/or services (ADP GTC).

Purchasing – AD Plastik

It is intended to drive consistency on a global basis in AD Plastik's sourcing, purchasing, and operating functions. Its goal is to create a favorable working business environment for both, AD Plastik and suppliers that strives for high customer satisfaction while supporting continuous cost reductions, high quality, and ongoing improvements in overall efficiencies and productivity.

This manual defines the supplier's responsibilities for ensuring that purchased items conform to AD Plastik's specifications and other requirements and that they are delivered on time and in quantity. All requirements in this manual are considered Customer Specific Requirements.

2. Scope

The details stipulated within this manual are intended as the minimum mandatory requirements for AD Plastik's supply partners (any company providing pre-production, production, or service parts to AD Plastik).

3. Zero Defect Policy

Throughout the supply chain, customers, and Suppliers (free-sourced or mandated) must be interdependent upon each other's performance. Our target is to ensure customer satisfaction for Quality, Cost, and Delivery.

To enable us to achieve this, Objectives are:

- Rang "A" Suppliers
- 100% of initial samples delivered right the first time and on time
- 0 PPM strategy – received PPM (Parts per Million) / 0 customer complaints
- Self-Certification compliance with AD Plastik Requirement
- 0 final customer complaints (impacted by Supplier's bad performance)
- 100% Reactivity on time (Quality and Logistic)
- 0 Safety and Regulation Alerts
- 0 Warranty Case/Cost
- 0 CSL – Control Shipment Level – Supplier's special status
- 100% delivery performance (DP)
- ZERO disturbance of production line /AD Plastik or final customer/
- ZERO incomplete cars on the final customer line
- ZERO line stoppage /AD Plastik or final customer/
- ZERO number of logistics complaints
- ZERO number of emergency transports
- MMOG/LE annual self-assessment /level A/

Supplier delivery performance

For each delivery from the Supplier, AD Plastik will measure Delivery performance on monthly basis.

Delivery performance calculation is based on the following two segments:

- Date of delivery per each reference in comparison with the requested delivery date
- Delivered Quantity per each reference in comparison with the requested quantity
- $DP = \text{Nb of lines delivered in the wrong quantity or at the wrong time} / \text{Total number of ordered line} \times 100$

- AD Plastik team will make a monthly evaluation of Suppliers based on Logistics and Quality Performance according to AD Plastik's internal Procedure.

3.1. Supplier Quality Management System Requirements

AD Plastik requires each supplier to be certified in accordance with the valid version of IATF 16949 by accredited certification bodies approved by AD Plastik or its customers.

In special cases, if specific customer recommendations or existing Suppliers are within the Quality and Delivery KPI target, AD Plastik may accept the valid version of ISO 9001 when the supplier successfully passes our internal System and Process Assessment review.

In addition, AD Plastik expects suppliers to have a valid version of ISO 14001 (Environmental Management Standard), ISO 45001/OHSAS 18001 (Occupational Health & Safety) and ISO/IEC 27001 (Information security management). If the Supplier is not certified by IATF 16949 or ISO 9001 and ISO 14001, ISO 45001/OHSAS 18001, ISO/IEC 27001 it is mandatory to answer the self-assessment questionnaire. The questionnaire contains the essential requirements of ISO standards, as well as the main questions on the Corporate Social Responsibility (CSR) policy of the Supplier.

Valid certificates must be yearly sent through Supplier quality and purchasing department contact.

All AD Plastik Suppliers are required to establish documented management system and maintain effective production, quality, and management systems compliant with the abovementioned requirements (at their latest version), including Certification Status defined by Customer Specific Requirements.

3.1.1. MMOG/LE requirement

Suppliers of material and logistics providers are obliged to perform MMOG/LE assessment (basic) once per year. MMOG/LE questionnaire must be completed on the MMOG.np web platform. (<https://www.odette.org/mmog>). Submission must be provided every year from March 1st until May 1st per each Supplier production site using Its Supplier code. MMOG/LE assessment is a pre-condition requirement for new suppliers before entering the AD Plastik supplier base and it is one of the criteria used for Supplier evaluation.

AD Plastik MMOG.np internal mail address is odette-7430@mail2.mmogle.com MMOG which must be used for MMOG/LE submission. MMOG /LE target result is level A.

3.1.2. Origin of goods

The Supplier needs to provide information to AD Plastik concerning the originating status of goods with regard to the specific preferential rules of origin in the form of an LTSD /Long Term Supplier Declaration /. LTSD should be valid for a period of one or a maximum of two years. Each change of originating status should be communicated to AD Plastik by issuing new LTSD immediately when this change happens.

3.2. Control of the quality and industrial performance

The supplier must produce in regard to its contractual obligations and yearly defined objectives. Supplier must implement a structured planning approach with three levels, starting from strategic planning until the planning of production to guarantee the respect of the delivery program. The Supplier has an obligation to the Customer to have a zero-defect target. If the zero-defect target cannot be achieved in the near future, the Customer shall apply and accept, for a limited period, also the threshold mentioned in the Quality Agreement or yearly defined objectives, in serial life, as an interim target. If the actual defect rate is below the maximum limits agreed upon by the parties, this does not release the Supplier from its obligation to deal with all complaints and to work on continued improvements. The agreement of quality targets and measures as well as action limits does not release the Supplier from its liability in respect of defect and damage claims from the Customer that arise from defects in supplies and/or services.

AD Plastik reserves the right to give the quality results of the supplier to the certifier.

3.3. Material supplier assessment

Assessment of input material suppliers approved in accordance with the criteria of the ADP Group is carried out by monitoring the parameters defined in the Supplier Assessment Table, considering the conditions for each assignment agreed with the material supplier.

Several organizational units, according to the following schedule, carry out the periodic entry of achieved values of the defined parameters in the Supplier Assessment Table:

- Strategic Purchasing Department – global parameters – THREE TIMES A YEAR (by 30 April, 31 August, and 31 December)
- Operational Purchasing Department – logistic parameters – ONCE A MONTH
- Work Unit Quality Department – quality parameters – ONCE A MONTH

Monitoring of parameter entry and reviewing parameters in the Supplier Assessment Table is carried out by the Supplier Quality Department.

3.3.1. Parameters and grading system

Global parameters (certificates)

Possession of a certificate and its validity constitutes one of the criteria to be monitored.

The value “OK” is entered only if ALL defined certificates and global parameters of suppliers are in accordance with the criteria of the ADP Group. In all other situations where any of the parameters is not met (absence, delay, loss of certificate, etc.), the value “NOK” is entered. In case a supplier has been given the status “NOK”, the Strategic Purchasing Department informs the supplier thereof, defines an action plan, and ensures its implementation within the given deadlines.

Quality complaints

Number of complaints during the assessment period	Number of points
No complaints	30
Warning/complaint related to a quality objective	25
One complaint unrelated to quality objectives	20
Recurring complaints	15
Multiple complaints	10
Incident / serial complaint	0

The value “OK” is entered only if ALL defined certificates and global parameters of suppliers are in accordance with the criteria of the ADP Group. In all other situations where any of the parameters is not met (absence, delay, loss of certificate, etc.), the value “NOK” is entered. In case a supplier has been given the status “NOK”, the Strategic Purchasing Department informs the supplier thereof, defines an action plan, and ensures its implementation within the given deadlines.

Quality objectives are agreed upon by means of a quality contract, which is an integral part of the commercial contract. If there are no objectives agreed upon with the supplier through the Quality Contract, the target value is “No Complaints”, i.e., zero complaints during the assessment period. “Recurring complaints” are complaints that refer to the same material (ident) and the same error related to it that has occurred repeatedly in the period of three months. “Multiple complaints” refers to the complaints submitted regarding the same or different idents within one month. The category “Incident / Serial Complaint” refers to complaints regarding the entire quantity of the material lot that could directly cause an interruption in the internal production line and in the customer line.

Supplier responsiveness

Supplier responsiveness was observed by assigning different points to the first criterion as follows.

Responsiveness during the assessment period	Number of points
COMPLETE REPORTING within the required deadlines	20
COMPLETE REPORTING after the required deadlines	15
Incomplete reporting – deadlines and activities	10
NO REPORTING AND RESPONSIVENESS	0

The required deadlines are defined in the complaint form sent to the supplier, which also defines the required reports.

Logistic parameters

Supplier responsiveness is observed by assigning different points to the first criterion as follows.

Number of complaints during the assessment period	Number of points	Number of points	Number of points
Logistic complaints	No record	5	Recorded 0
Delivery accuracy	(95 % – 100 %)	10	(90 % – 95 %) 5 < 90 % 0
Number of emergency deliveries	No record	5	Recorded 0
The incident related to an incomplete vehicle / customer line interruption	No record	15	Recorded 0
Incident / internal production line interruption	No record	15	Recorded 0

Logistics objectives are defined by the logistics protocol, which is an integral part of the commercial contract.

The total maximum number of points is 100.

3.3.2. Grade and rating matrix

<60	C
60 – 69	B2
70 – 79	B1
80 – 89	A2
90 – 100	A1

The Supplier Quality Department periodically (every four months) informs suppliers about the achieved rating if that rating is lower than A1/A2. No action plan is required for the rating A1/A2.

The rating B1/B2 requires the development of an action plan with the supplier if the supplier has achieved that rating four months in a row. The action plan is defined within 30 days.

In case the supplier has achieved the rating B2 during three consecutive months of the assessment period, the level 1 escalation procedure described below is applied.

Rating C is defined in such a way that if the supplier has been given the rating C for one month, the level 1 escalation procedure described below is activated immediately.

3.3.3. Supplier audit

Regardless of the supplier rating, the supplier audit may also be performed in the following cases:

PURPOSE OF AUDIT	TYPE OF AUDIT
recurring complaints	process/product audit
the escalating issue regarding the quality and/or delivery of base and auxiliary materials	process audit
in case of any change in the supplier process (site modification/change)	process audit
new supplier / new technology	system audit/process audit
new project	system audit/process audit

The Supplier Audit Plan is developed at the beginning of the year, and defines, based on the needs, whether a product/process/system audit should be conducted considering the supplier's rating and the Supplier Development Plan. The Supplier Audit Plan can be updated in case of recurring complaints, issues that require escalation, issues in the development process, or in case of a new supplier/technology is being engaged or a new project is implemented.

3.3.4. Escalation procedure

As regards the procedure of informing suppliers, described in the rating matrix above, the only exception are the situations requiring escalation, when the Supplier Quality Department informs the supplier immediately and coordinates action plans and level one de-escalation procedure.

	ESCALATION LEVEL 1	ESCALATION LEVEL 2	ESCALATION LEVEL 3
SITUATION	<ul style="list-style-type: none"> rating C rating B2 in three consecutive months 	<ul style="list-style-type: none"> not responding to level 1 escalation disruption in serial conditions of delivery and production of materials, which can result in line interruption 	<ul style="list-style-type: none"> no solution was reached using level 1 and level 2 escalation procedures supplier below ADP standards
DE-ESCALATION	successful implementation of all activities set out in the action plan within the required deadlines	successful implementation of all activities set out in the action plan within the required deadlines. positive opinion issued after the supplier audit, without major nonconformities	

The deadlines for the supplier's response are defined in an action plan agreed upon internally, then with the supplier, as described in level 1.

The transition to level two escalation occurs after exceeding the deadline defined by the level 1 action plan.

4. Customer-Specific Mandatory Requirements

4.1. Corporate Social Responsibility

AD Plastik considers corporate social responsibility to be an evaluation of its own impact on society, the environment, and the economy. The corporate social responsibility approach puts a special emphasis on taking care of people, the environment, and all aspects related to the protection and preservation of natural resources. Therefore, all Suppliers are requested to reduce the environmental impacts of their products and processes by developing new solutions.

The Supplier is informed of UNO Global Compact principles and commits to conform with it. The following principles are particularly important: preservation of human dignity and human rights, prohibition of discrimination on grounds of religion, race, national origin, age, disability, marital status, gender, sexual orientation, political affiliation, union or similar, retention of adequate social working conditions, compliance with existing laws and regulations, industry, health, and safety standards.

The Supplier commits especially to refuse child labor (I.L.O 138) and forced labor (I.L.O. 29&105) and to implement a policy of occupational risks prevention in consistence with the above principles.

The Supplier shall deploy actions to improve the energy efficiency of their sites, prevent pollution, reduce hazardous material, optimize waste, and develop sustainable use of resources.

The Supplier shall ensure compliance with all legal and other relevant environmental requirements for their products, equipment, and sites.

In the process of everyday work operations, the Supplier agrees to use rationally and optimally needed resources (especially materials, energy, and water) and to effectively reduce environmental impact to a minimum (especially regarding waste, wastewater, air pollution and noise).

The Supplier also must commit to fight against unfair business practices and encourage its supply chain behavior as opposed to all forms of corruption, blackmail, and bribery.

Furthermore, the Supplier informs its suppliers of this clause and its commitments to the Customer.

4.1.1. Regulated Substances

Supplier is responsible for complying with all applicable international and national legislation relating to the control and restriction of hazardous substances. The legislation includes, but does not exclusively:

Biocidal Products Regulation (BPR, Regulation (EU) 528/2012)

Regulation (EC) No 850/2004 of the European Parliament and of the Council of 29 April 2004 on persistent organic pollutants and amending Directive 79/117/EEC (POP)

European Union directive for the classification, packaging, and labeling of hazardous substances (1272/2008/CE)

European Union directive for the marketing and use of certain hazardous substances and preparations (76/769/EC)

Stockholm Convention to protect human health and the environment from persistent organic pollutants

U.S. Toxic Substances Control Act (TSCA) and its amendment, Frank R. Lautenberg Chemical Safety for the 21st Century Act.

Directive 2000/53/EC of the European Parliament and of the Council of 18 September 2000 on end-of-life vehicles (ELV)

Wall Street Reform and Consumer Protection Act; July 2010, U.S. law H.R. 4173 incl. Dodd-Frank passage – section 1502 (Conflict Minerals)

Concerning REACH (Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorization, and Restriction of Chemicals) the Supplier must fulfill all obligations due to Registration, Evaluation, Authorization and Restriction of Chemicals.

This includes communication obligations of SVHC in articles including spare parts and packaging. In the case of importing substances, mixtures, or articles, the Supplier takes the role of an importer and needs to comply with all resulting obligations.

The supplier is requested not to use SVHC (Substances of very high Concern) in articles and mixtures delivered to AD Plastik.

Therefore, the use of substances that are listed in Annex XIV and XVII of REACH and the candidate list is not permitted. If the supplier intends to use an SVHC they must contact AD Plastik in time to negotiate and recommend further actions, risks and substitution options.

4.1.2. Conflict Minerals

Conflict Minerals (Tantalum, Tungsten, Tin, and Gold) are natural resources mined in a conflict zone and sold to support the fighting. AD Plastik encourages its direct Suppliers to source responsibly with certified conflict-free smelters, wherever possible.

4.1.3. Material Data Report

Within the Production Part Approval Process, reporting of substances must be made in IMDS unless otherwise agreed. At PPAP AD Plastik must accept the data submitted in phases.

Reported data must be in line with the IMDS Recommendations and comply with the rules and content of the GADSL (www.gadsl.org).

Additional requirements may occur due to various requests from AD Plastik's customers.

4.1.4. Material Safety Data Sheet

The supplier must provide the latest version of the MSDS according to the legislation of the respective country for the delivery (e.g., in Europe according to Regulation (EC) No. 1907/2006 (REACH) or ISO 11014-1). The MSDS must be provided prior to the first delivery as well as in case of an update of the MSDS. The recipient of the MSDS is the delivered location and the language used in the MSDS must be the language of the country where the material is delivered.

4.2. Sub-Supplier Management System

All requirements for AD Plastik's suppliers must be communicated to their supply chains correspondingly. A suitable Sub-Supplier Management shall strongly support this through:

- Documented evidence that the Sub-Suppliers quality management system is monitored
- Follow up the quality of the purchased parts using suitable measures (including PPM quality target setting, special key characteristics follow-up, Control plan, PPAP, and Initial Samples submission, and regular control of capacity...).

AD Plastik reserves the right to review the process at the Sub-Supplier on its own initiative in case of a major problem or risk.

4.2.1. Special case of Directed Purchase components - tripartite agreements

For technical or economic reasons, AD Plastik may ask the Supplier to include components from other Suppliers. According to IATF 16949, Tier 1 Suppliers are accountable for their supplies, including components. A tripartite agreement stipulating the job-sharing between the parties involved will be incorporated into the supply contract.

4.3. Order Management - Electronic DATA Interchange Requirements (EDI)

AD Plastik aims to optimize all processes in the entire supply chain from Suppliers to AD Plastik and from AD Plastik to AD Plastik's customers in the interests of all. To make purchasing and/or supply processes smoother and to minimize the liaison required, the purchasing and/or supply process may have to be redesigned (e.g., the introduction of EDI) to optimize the logistics chain between AD Plastik and the Supplier. AD Plastik expects active support and contribution from the Supplier to any change in the logistics processes proposed by AD Plastik.

The Standard used in Electronic Data Interchange (EDI) between trading partners is EDIFACT DELFOR D97A and EDIFACT DEASDV D96A. AD Plastik standard is described in the following documents:

- ADP EDIFACT DELFOR Guideline
- ADP EDIFACT DESADV Guideline

The message DELFOR is the Delivery schedule message that gives the requirements regarding details for short-term delivery and long scheduling for the materials. This is based on the terms and conditions defined in a purchase order or contract.

The message DELFOR is used to:

- specify firm delivery dates and quantities scheduled
- specify forecasted production requirements
- define the patterns that allow the supplier to plan the resources necessary to fulfill customer requirements

EDI ordering frequency: once per week, following the dynamics of creating material requests by weekly MRP.

Exceptionally, for large quantities requiring more than one transport vehicle, it is possible to send more EDI orders in the same week respecting the patterns of firm delivery dates.

EDI material order can be regular or additional.

- Regular material order provides the needs of materials for the agreed lead-time of delivery and includes firm and forecasted delivery dates and quantities.
Firm quantities should be rounded to the minimum order quantity (MOQ).
Forecasts are weekly quantities covering 52 weeks; they are available at the start of each week and are valid until the end of the current week. Forecasts quantities should be rounded per packing unit.
- Additional material order represents an urgent demand to be delivered before the agreed lead time of delivery. It must be sent to the supplier with prior notice about an additional demand. In case the supplier is not able to satisfy the urgent delivery, an additional order will not be launched but the regular order will be increased for urgent needs.

The forecast and fix orders are considered accepted and executable by the Supplier unless they are claimed to the purchasing planner within max two working days after having received them.

If the Supplier is not able to produce and deliver the material according to the AD Plastik order, it should immediately inform purchasing planner by email stating the reasons and offering a new delivery plan.

The proposed delivery plan and reason for the change of the original AD Plastik order will be analyzed by AD Plastik.

If AD Plastik concludes that the reasons are justified and that the offered new delivery plan is not risky for AD Plastik production plan and delivery plan, AD Plastik will confirm the proposed plan by email.

If the proposed delivery plan will put AD Plastik at risk which is not acceptable, AD Plastik will propose to the Supplier to organize partial production and deliveries at their expense in order to minimize the risk/deliveries less than the agreed MOQ/. The Supplier is responsible to send written confirmation within max 2 working days about the acceptance of a new delivery plan.

Based on the acceptance of a new delivery plan by the Supplier, AD Plastik will modify the Order and resend it to the Supplier.

AD Plastik Suppliers are obliged to resend orders automatically to their Sub-Suppliers in order and dynamic received from AD Plastik using EDI or WEB EDI.

AD Plastik Suppliers are responsible to follow the supportability of their Sub-suppliers and inform immediately AD Plastik if any problems occur, which could affect the deliveries to AD Plastik. In the case of high risk, which could have an impact on AD Plastik production and delivery plan, the Supplier is responsible to prepare an action plan together with the Sub-supplier in order to be able to meet AD Plastik's needs and present it to AD Plastik.

When AD Plastik accepts the proposed action & delivery plan, the Supplier is obliged to make a daily follow-up of agreed activities with the Sub-supplier and send daily reports to AD Plastik about the progress of activities until deliveries become stable.

The minimum order quantity is one packaging unit.

For Supplier who is not able to use the classic EDI ordering system, the second option is WEB EDI.

Also, AD Plastik could make an exception and approve a temporary model of sending orders by electronic mail until the Supplier implements the EDI /WEB EDI system.

In this case, the Action Plan for the implementation of EDI/WEB EDI is mandatory. AD Plastik shall previously validate the Action Plan.

The obligation of the Supplier is to send DESADV to AD Plastik.

The message DESADV is Advanced Shipping Notification (ASN) or Despatch Advice and it provides details for goods despatched under agreed conditions between AD Plastik and the Supplier. This includes the details regarding the content of the consignment, packages, and handling units as well.

The ASN message intends to allow the recipient (AD Plastik) to track material shipments and prepare the physical receipt of the consignment. The ASN is made to meet the delivery instructions given through DELFOR issued by AD Plastik. This implies that the Order number assigned by AD Plastik must be included in the ASN.

The ASN must be sent immediately after the departure of the truck.

ASN accuracy indicator has been set up with each supplier.

The report includes two approaches to accuracy control: the time accuracy of ASN and the content accuracy of ASN. The time accuracy of the ASN is to be monitored based on the ASN receipt date/time and truck departure date/time indicated on ASN. The content accuracy of ASN is to be monitored based on two checkpoints: ASN format (in accordance with EDIFACT DESADV D96A standard) and ASN data (mandatory data are identification codes of each partner, material identification, despatched quantity and packaging details, ADP order number and despatch/arrival date which depend on agreed parity).

The goal is set at 100% accuracy.

4.4. Packaging & Labeling

SOW /statement of work / in the beginning of the project phase defines the responsibilities of the Supplier and AD Plastik regarding the development, testing, validation, maintenance and management of packaging and labeling.

The Supplier shall agree on packaging specification with the packaging engineer. It is the responsibility of the Supplier to ensure that the material is delivered to AD Plastik in accordance with the approved packaging specification and labeling standards.

The following requirements need to be fulfilled through the development and validation process:

- Durable packaging
- Packaging should correspond to the transport mode which will be used
- Packaging should be suitable for transportation with a forklift
- Packaging should have the exact place and holder for the barcode label
- In case the Supplier is the owner of the packaging, all packaging units need to be marked with the name and the address of the Supplier

- Cleaning and the maintenance of packaging is the responsibility of the Supplier
- Back-up packaging should also be validated for each type of durable packaging in the project phase. Back-up packaging shall be the same size as the original packaging and its content shall be the same number of parts per packaging unit. Urgent deliveries in packaging which AD Plastik hasn't previously approved are not allowed. For that kind of delivery, the Supplier shall send a request for approval to AD Plastik.
- In the case of the use of expendable packaging, all components need to be recycled.

AD Plastik preferred standard for Labeling is ETI9.

Packaging and labeling standards need to be in accordance with the requested standards and specific requirements from AD Plastik and the final customer.

The Supplier shall confirm packaging and labeling details in accordance with Packaging Data Sheet. It is the responsibility of the Supplier to ensure that the material, which is delivered to the AD Plastik, is in accordance with the packaging specification and labeling standards approved during the project phase and that is available before the start of serial production.

Deliveries of mixed references on the same palette are not allowed.

Delivered material for projects or testing needs or first delivery after the engineering level change should be clearly marked according to the previously agreed details with the AD Plastik team.

In case of the use of durable packaging that is the property of AD Plastik or the final customer, Supplier's responsibility is to make regular evidence of stock and to send results of physical inventory to AD Plastik immediately upon the request from AD Plastik. In case of lost, damaged packaging or use of durable packaging for some other unapproved activities, AD Plastik may penalize the Supplier in the amount of 100% value for each durable container.

Hazardous materials must be packed and marked in compliance with the applicable laws and regulations as amended from time to time and they must be accompanied by the corresponding latest version of the MSDSs.

The supplier must ensure that hazardous symbols (pictograms), as well as other legally required hazardous warning information are clearly visibly and permanently attached to all the individual packaging units as well as on the outer packing of the shipping units. They must comply with the specific legal requirements of the country to which the product is consigned.

4.5. Delivery & Transport

The required parity for delivery is the DAP AD Plastik location. Only as an exception, AD Plastik may accept EXW Supplier location parity for deliveries.

The Supplier is responsible to assure all previously agreed necessary documentation for each delivery. All details are specified through the document Logistics Protocol ADP-LOG-OB-1030.

In addition, the Supplier must confirm that the shipment has left its facility by sending an Advance Shipping note or, in specially approved cases, by sending all documentation in PDF for each delivery by e-mail.

All details related to the transport of material from the Supplier, minimum the name of the driver and plate number of the transport vehicle, should be indicated on the shipping documentation. AD Plastik shall determine the unloading period for goods and the loading period for empty durable packaging in the case that the Supplier uses this type of packaging. No transport vehicles for which one transport detail is not given on time to AD Plastik purchasing contact person can enter the AD Plastik location. For these exceptional cases, AD Plastik purchasing contact person should approve an exceptional entering ticket to the AD Plastik location.

For the Supplier who works with AD Plastik through a consignment warehouse, all details are defined in a special commercial contract and logistics protocol.

4.6. Marking / Traceability

Each component must be marked to permit material identification regarding recycling.

- The material type mark must be in accordance with AD Plastik requirements.

- The marking must be in accordance with the requirement to define traceability.

The supplier must ensure the traceability of raw materials, semi-finished products and finished products within the production process. Further, the Supplier must prepare and keep all inspection reports for all inspections from material receipt up to the dispatch of products. In case of an identified or suspected nonconformity, traceability must be possible in such a way that limitation of the quantity of suspect and/or non-conforming products, or semi-finished products, can be carried out. Any sorted or reworked material must be traceable.

4.7. S/R Mandatory Rules

AD Plastik has identified the following processes as mandatory:

- Heat Treatment
- Fastening
- Riveting
- Welding

For which all S/R characteristics are considered as secured only via:

- Poka Yoke
- Cp/Cpk
- Certificates/Validations related to Raw material

Supplier is responsible for complying with all applicable international and national legislation as Regulation (EU) 2018/858 of the European Parliament and of the Council; of 30 May 2018; on the approval and market surveillance of motor vehicles and their trailers, and of systems, components and separate technical units intended for such vehicles, amending Regulations (EC) No 715/2007 and (EC) No 595/2009 and repealing Directive 2007/46/EC.

4.8. 7 Quality Basics

AD Plastik has identified the following quality Basics as mandatory:

- 1st OK part
- Poka Yoke
- Red Bins
- Self Inspection
- Rework under control
- Final Inspection
- QRQC (Quick Reaction Quality Control)

Supplier is responsible for complying with 7 Quality Basics in order to achieve defined targets.

4.9. Repair or Rework operations

Re-use of components is considered a rework operation.

Rework/repair operations planned must be incorporated into the overview of flows, the FMEA process and the control plan to be qualified with the standard manufacturing process. The supplier must obtain authorization from AD Plastik before carrying out rework or repair operations not planned during the initial qualification.

Each reworked part must be identified via a mark or a serial or batch number.

4.10. Temporary Quality Wall (TQW)

TQW is a demand by AD Plastik to a Supplier to put in place an additional inspection process in order to assure flawless launch at each SOP. Also, in case of reoccurring claims, TQW is demanded while implementing a root-cause problem-solving process. This demand will be requested via an official letter from AD Plastik's side.

TQW consists of two types or levels of containment:

- Level I is an additional inspection process performed by the Supplier at the Supplier's facility separate from the normal production process.
- Level II or Third Party Controlled Shipping is additional control conducted by a third party (selected by AD Plastik and paid by the Supplier), off the Supplier's facility and at the Supplier's expense. AD Plastik will inform the Supplier about this level of containment via an official Level II letter.

4.11. Engineering Change Request (ECR) Management

Engineering Change Request (ECR) consists of feasibility evaluation, cost impact, and timing. After the decision, the change will be kicked off through Purchase Order (PO) and a new design revision level. ECR can occur during the program phase and serial production. For each change, a new PPAP submission will be required.

4.12. Change Request via Purchasing Change Request (PCR)

In case of change initiated by the Supplier, the Supplier must inform AD Plastik of any change (Material, Product, Process and tool changes, production transfers etc.) and must request approval in writing from Purchasing department. AD Plastik Purchasing must approve all changes prior to change initiation. In order to prevent bottlenecks, the Supplier is required to give AD Plastik at least twelve (12) months advance notice of any production relocation plans and to notify AD Plastik's central and plant purchasing organization of the actions proposed to ensure supplies during the relocation in written form.

Samples may be required for revision and to evaluate the potential impact on AD Plastik's manufacturing processes. In case of a tool move, the plan must include safety stock to ensure that AD Plastik's Production and Service requirements are not affected. Submission for PPAP approval is mandatory prior to the shipment of the "new" parts (or from a new location) unless specifically waived. After AD Plastik's written approval, the first delivery with "new" parts must be identified.

4.13. Sub-Supplier Change

In case of Sub-Supplier changes (product/process change), the Supplier is required to present Part Submission Warrant (PSW) with relevant PPAP items.

4.14. Supplier Self-Certification

Supplier Self-Certification can be requested when AD Plastik performed a preliminary evaluation. This request can be related to Process Audits, QMS Audits, requalification, PPAP, etc.

In order to work on constant improvement of the performance of the Supply Chain, the Supplier must annually update the self-assessment according to the Global Material Management Operations Guideline / Logistics Evaluation - MMOG/LE V5. The Supplier must implement a progress plan according to the results of the self-assessment. The Supplier shall deliver a self-assessment and progress plan to AD Plastik annually.

4.15. Emergency plans

Supplier is required to create and make available within its organization an emergency plan for the eventuality of disturbances affecting its logistics and/or production processes and the continuous supply of products to AD Plastik. Disturbances may include for example:

- Relocation of tools and machinery
- Repeated Late or partial deliveries
- Low reactivity
- Cyber attack
- Rupture in EDI communication
- Damage or delays in shipment
- Non-conformities

- Tool/equipment/machinery breakage
- Disturbances in supplies from sub-suppliers
- Other events (strikes, accidents, flooding, hurricanes, fire, earthquakes, etc.)

Supplier is required to develop, define, and implement emergency procedures to ensure smooth supplies to AD Plastik even in the event of such disturbances. Upon request of AD Plastik Supplier will present the emergency procedures to AD Plastik.

In the event of any of the disturbances listed above, the Supplier must promptly notify AD Plastik to ensure timely, effective liaison and adequate supplies to AD Plastik.

Supplier is requested to designate contact persons who shall be available at all times (i.e. also at weekends and outside normal business hours) to deal with emergencies such as quality problems with the products supplied causing imminent production hold-ups at AD Plastik. The supplier must notify AD Plastik of the names of these contacts for the following areas:

- Quality
- Logistics
- Purchasing
- Plant manager

4.16. Production/product conformity

At AD Plastik's request, the supplier must provide the following product compliance elements within one week:

- Inspection and Measurement Reports, according to the mass production part inspection standard, in a format with structured and digitized data
- Audit reports
- Access to results of the mass production control plan
- Regular yearly capacity reports and for each volume change over the 25% requested by AD Plastik

4.17. Complaints

The supplier undertakes to deliver the products only as described in the specification agreed upon. In case of any deviation of the delivered product with regard to documented requirements (e.g., timing, quantity, marking, specified criteria, etc.) AD Plastik will raise a complaint against the Supplier. Complaints should be solved using appropriate methods.

All additional costs at AD Plastik related to a nonconforming delivery will be compiled case by case and sent to the Supplier for compensation.

4.17.1. Reporting Tool – 8D and Required Response Time Frame

The supplier must have trained (preferably certified) personnel with the ability to quickly and permanently resolve product and process issues using data-driven problem resolution tools and techniques (8D, Ishikawa diagram, 5 why?).

Problem resolution must be conducted using the 8D Problem Action report which is the official communication tool for reporting and resolving problems.

The required Response time frame is as follows:

- An initial response (essentially the containment action/ 8D report: Steps 1 to 3) is required within 48 hours of receipt from AD Plastik
- Steps 4 to 6 of the 8D report with verified complete root cause analysis are required within 10 calendar days of receipt from AD Plastik
- Final 8D report is required within 30 calendar days of receipt from AD Plastik

If not otherwise agreed and if the Supplier fails to respond within AD Plastik's defined time frame (48 hours for critical issues for section 1 of the 8D report and /or 10 working days for full root cause and

final corrective action for section 2 and 3 of the 8D), Supplier will be deemed to accept the claim and all costs will be the sole responsibility of the Supplier.

4.17.2. Warranty Claims

Upon receipt of a warranty claim, the Supplier shall respond within the specified limits, utilizing only responses available below:

- a) Category 1: Responsibility of the Supplier
- b) Category 2: Trouble Not Found NTF
- c) Category 3: Responsibility of Dealer and/or Customer

Supplier shall respond with an 8D report within the time frame defined in point 3.12.1.

In the case of NTF, the Supplier shall clearly describe and document its conclusion with data. NTF status in the warranty analysis process must follow systematic elimination of potential root cause factors. NTF typically describes a scenario whereby testing indicates that returned part meets AD Plastik's and/or our customer part and performance requirements as defined in purchase orders, PPAP, and warranty terms and agreements.

When the Supplier investigation has determined the defect to be the Dealer's or Customer's misuse, the Supplier needs to provide all supporting documentation for approval of this category. In the case that AD Plastik disagrees with a Supplier response, AD Plastik will give timely notice of its objection.

A rejected Supplier response where the parties do not agree as to content effectiveness, shall not be binding upon AD Plastik. The Supplier shall retain the affected components until the issue is resolved in a positive manner; such that AD Plastik customers will concur with our Supplier's root cause and corrective action analysis, including supporting documentation.

4.17.3. Cost Recovery Policy

Suppliers are liable for all costs incurred by AD Plastik when the cause is the Supplier's responsibility. Costs might include but are not limited to:

- Administrative costs
- Operating costs of containment (i.e sorting, destruction of parts...)
- Additional transport costs
- Costs incurred in the downstream operation stage
- Rejects of finished and/or semi-finished Products
- Retrofit of sub-assemblies or vehicles
- Machine downtime
- Staff costs associated
- Lost production time
- (Re) packaging & handling costs
- Travels and extra- trip to the customer
- Claims charged by the customer
- Additional special costs
- Costs of an expert and external laboratory testing
- Costs of perturbation of line of AD Plastik or final customer line
- Costs of line stoppage at AD Plastik or final customer
- Incomplete cars in the final customer line
- Costs for lost or damaged durable packaging

4.18. Reverse PFMEA

The supplier shall deploy Reverse PFMEA (R-PFMEA). It is a proactive methodology to identify potential Process failure modes on the shop floor. A Cross-Functional team realizes this. Reverse PFMEA review is a

proactive tool used to reduce risks for rejections and claims, and consequently to improve process quality performance and customer satisfaction.

4.19. Measurement System Analysis

Supplier shall meet the specification in the AIAG MSA and shall have a containment plan (such as 100% inspection, gage improvement, or other means).

In order to provide adequate measurement system discrimination, for measurement equipment used to measure special characteristics, the apparent resolution of the equipment shall be at most one-tenth of the total process to six sigma standard deviation (reference AIAG Measurement System Analysis).

4.20. Layout inspection and functional testing

A layout inspection shall be performed annually. All cavities shall be included in the annual layout inspection and functional testing. The supplier will update PPAP document files to include the annual dimensional layout data and a self-certified PSW cover sheet. A full-dimensional layout will include all significant characteristics and all key functional dimensions. This document is to remain on file with the original PPAP. AD Plastik representative or a third party may request a copy of this document. If so, it should be made available within 24 hours. The annual layout data shall be included in the control plan and PPAP records.

5. Product realization

5.1. Design and process development

In the case of product and/or process development, the Supplier shall employ its own established methods (such as appointing the project management, milestone plans, advanced product quality planning for prototypes / pre-series / series, and associated monitoring mechanisms). AD Plastik is to be kept informed of the development progress made. AD Plastik reserves the right to check/inspect the development work also on-site at the supplier.

The requirements to be met are that development shall be laid down in writing, e.g., in the form of a specification. Upon acceptance of the order, the Supplier undertakes to operate a system of project management which must already be implemented from the planning stages of the products. It must also cover procedures and other cross-divisional tasks and must comply with the standards accepted in the automotive sector according to VDA or AIAG in the current version, and will, upon the Customer's request, provide the Customer with all documents required.

Series delivery may happen only after release in writing from AD Plastik (see Sampling).

5.2. Advanced Product Quality Planning (APQP process)

The supplier is obligated to perform an advanced product quality planning under consideration of suitable methods (e.g. APQP, VDA 2, maturity level assurance). The advanced product quality planning needs to start at the earliest date.

The supplier ensures that all requirements for the products are fulfilled, and the quality goals are met with actions and usage of suitable risk analysis (e.g., FMEA) on its own responsibility throughout all project phases.

The supplier is responsible for planning and determining the scope of the tests (characteristics, number of random samples, capability parameters etc.) under consideration of statistical methods for quality assurance. In individual cases (e.g., AD Plastik risk classification for products), the scope of inspections can be stipulated by AD Plastik (e.g., in the TDS). The series of production accompanying inspections defined with advanced product quality planning must be suitable for verifying the conformity of the products with the specifications at any time.

If AD Plastik does not specify any special characteristics requiring statistical process control and associated capability limit values (e.g., in the drawings, TDS), then the supplier shall be responsible for the selection and assessment of special and for the intended use essential product characteristics and process parameters.

A short-term or long-term capability study needs to be provided for special characteristics. If the capability for a special characteristic cannot be shown with a capability study proof needs to be presented via secondary characteristics or a 100% inspection needs to take place.

Upon AD Plastik's request the Supplier shall provide evidence-proving test/inspection planning documents to AD Plastik (e.g., Control plan for prototypes/pre series/series, capability studies).

5.3. Multidisciplinary approach

FMEAs shall be prepared using the AIAG Potential Failure Mode and Effects Analysis reference manual. The supplier shall review FMEA's by using Reverse FMEA (R-FMEA) tool.

5.4. Sampling

The formal sampling process serves for technical verification of degrees of readiness and as proof of suitability for bought-in products / provided services.

Before the start of serial delivery, initial samples based on the product and process specifications must be submitted to AD Plastik. Sampling shall follow the AIAG PPAP manual. The documentation must be presented to AD Plastik in the English language. PPAP must be submitted on time according to the AD Plastik PPAP required date.

Details/requirements for sampling (e.g., level, number of sample parts, forms, and data format) will be agreed upon within the AD Plastik.

When a PPAP identifies that a part does not fully conform to required specifications, the supplier must obtain an approved Temporary deviation request to authorize the supplier to ship this product. The supplier shall provide an action plan with a request for deviation. Deviation must be corrected within 90 days, or a second temporary change must be requested.

Every type of change made to components, manufacturing process, or manufacturing place, which might affect the agreed specification or the product quality, is to be communicated with a sampling process. The execution and scope of new sampling are to be agreed upon with AD Plastik at an early stage.

Insufficient or incomplete PPAPs from the supplier require special efforts at AD Plastik (e.g. customer's rejection of PPAP caused by supplier's insufficient PPAP). These special efforts might be charged to the supplier after informing it and giving it a chance to react.

5.5. China Compulsory Certification (CCC) requirement

For supplies subject to CCC approval, unless otherwise specified by AD Plastik, it is the supplier's responsibility to contact the China Quality Certificate center (CQC) and to get their approval.

6. Continuous Improvement

A continuous improvement philosophy should permeate all the Supplier's products and processes. To be effective, an improvement strategy must have a tactical and strategic long-term element, sustained, and focused on key processes which provide value-added substance to the company's objectives, including AD Plastik satisfaction.

7. Audits

The Supplier must carry out internal planned audits (e.g., VDA Volume 6, Part 3, CQI 8 LPA,) for all the products delivered to AD Plastik and all the processes linked with their development and production at regular intervals, planned annually in advance. This is based on contractually defined product specifications and properties as well as further agreements affecting the deliveries, e.g., logistics and packaging. In the event of deviations, the Supplier initiates all the corrective actions necessary and ensures their effective and long-term implementation.

In addition, AD Plastik and its customers are authorized to carry out the process, product, or system audits with advance notice in order to check whether the Supplier's quality assurance and environmental requirements meet the AD Plastik requirements. If quality problems occur which are caused by performances and/or deliveries of the Supplier's sub-contractors, the Supplier must carry out an audit at the sub-contractor's if requested to do so by AD Plastik, with AD Plastik participation if appropriate and present the results to AD Plastik.

8. Revision history

Revision date	Notice
15/10/2019	Created
16/11/2020	2 nd edition
02/05/2022	3 rd edition
11/10/2022	4 th edition

Chapter	Change summary
Introduction	Update of introduction
7. Audits	New chapter added
8. Revision history	New chapter added
3.1 & 4.3	MMOG/EDI requirements updated; new paragraphs added