Supplier manual KOEPFER Group

Version January 2024, FO.189

Preamble

As a global, independent supplier, the KOEPFER Group is a strong and reliable partner to the automotive industry. As one of the leading manufacturers of high-precision gears for engine and transmission applications, we combine technological performance with commitment, creativity and motivation. In order to meet our high standards of quality, we employ outstanding specialists in the field of metal processing. An open corporate culture as well as creative and committed employees form the basis for dynamic and goal-oriented collaboration with our customers.

To produce these high-quality products, it is necessary to use high-quality raw materials and semi-finished products, as the quality of the products supplied has a significant influence on the end product. These high standards also apply to externally provided processes and services. Furthermore, KOEPFER expects its suppliers to introduce and permanently apply the same principles and management methods worldwide as KOEPFER itself and as the automotive industry demands. This manual is structured based on IATF 16949 and is a supplementary customer-specific requirement (CSR) to IATF 16949 in the currently valid version on the KOEPFER website available.

In the area of information security, all suppliers undertake to comply with the requirements of VDA-TISAX and ISO 27001 or to ensure a minimum level of information security, depending on the risk and the classification of the delivered product or service by the information security department of the KOEPFER Group.

Suppliers who work for KOEPFER in both the automotive and non-automotive sectors undertake to comply with the following guidelines/policies within the framework of the individual project

New editions or changes will be communicated to all KOEPFER Group suppliers. The manual is bilingual German/English. The German edition is binding.

Inhalte

1 Scope

The manual regulates the technical and organizational framework conditions between KOEPFER and its suppliers that are necessary to achieve the desired quality goals. In addition, it places certain requirements on the management system of suppliers and service providers.

Avoiding process disruptions across the entire supply chain, from the supplier to the customer, is becoming increasingly important at KOEPFER. Therefore, the supplier must comply with the applicable requirements regarding delivery, logistics and packaging.

This manual is an indispensable part of all delivery contracts with KOEPFER regarding production materials and external production. Excluded from this are suppliers of auxiliary and operating materials as well as producers of operating materials (see Chapter 3). To take special requirements into account, specific additions and individual agreements can be concluded. The framework delivery agreement concluded with KOEPFER takes precedence. Unless otherwise agreed there, this manual applies.

The requirements of IATF 16949 and ISO 14001 apply to all points. Additional requirements are explicitly stated.

The manual does not determine quality characteristics; these are determined by the respective specification and do not regulate liability or warranty issues.

2 Normative references

The following documents apply in the currently valid version:
Normative references, bibliography

IATF 16949	Automotive Industry Quality Management System Standard
ISO 9001	Quality management systems requirements
ISO 14001	Environmental management systems
ISO 45001	Occupational health and safety management systems
ISO 50001	Energy management system
ISO 26000	Guide to Social Responsibility
ISO 26262	Road vehicles – Functional safety
ISO 27001	Information Security Management System
DIN 6120	Labeling of packaging materials and packaging materials for their use
DIN 29531	Terms of quality assurance and statistics
DIN EN ISO 8402	Quality management, terms
DIN EN 10204	Metallic products, types of test certificates
DIN 55350 Part 18	Terms for certificates of the results of quality tests Quality inspection certificates
ISO 19600	Compliance management systems
EC 761/2001	EC Eco-Audit Regulation
907/2006/EU	REACH
Directive 2011/65/EU	RoHS
2000/53/EC	Directive on end-of-life vehicles
VDA 232-101	Substances subject to declaration
VDA 4902	Goods tag, barcode capable

Standards source: www.beuth.de

Automotive-specific standards:
See IATF 16949 Appendix B bibliography

Sources:
www.aiag.org
www.vda-qmc.de

GADSL list for substances subject to declaration in automobile construction (www.mdsystem.com)

Purchasing documents from KOEPFER:

High Level (HL) Documents:

- KOEPFER General Purchasing Conditions (FO.188)
- Supplier handbook of the KOEPFER Group (FO.189)
- Appendix: Suppliers for Indirect Material (FO.190)
- KOEPFER Code of Conduct for Suppliers (FO.191)
- KOEPFER CO2 guidelines for suppliers (FO.192)
- KOEPFER guidelines on pollutants
- KOEPFER requirements for suppliers regarding information security (FO.193)
- KOEPFER guidelines for the release of supplier parts (FO.196)
- KOEPFER EDI guidelines for suppliers (FO.199)

Fundamental Supplier (FS) Documents:

- Supplier questionnaire (company profile questionnaire) (FO.46)
- Non-disclosure agreement (formal legal agreement, necessary before confidential information is exchanged between the supplier and KOEPFER (FO.200)
- Framework delivery agreement (Detailed agreement that defines the framework conditions, business standards, commercial and legal conditions, as well as service and compliance.) (FO.202)
    - Quality assurance agreement (FO.203)
    - Tool rental contract (FO.205) (Detailed contract with technical, time, commercial requirements and ownership issues)
- KOEPFER agreement credit note procedure (FO.216)

Product-related documents to be agreed in individual cases:

- Project contract (formal award with detailed, product-specific prices and conditions, with forecast quantities) (FO.218)
- Drawing/Technical Specification
- Declaration of Manufacturability (FO.48)
- Capacity declaration (FO.59)
- Cost Break Down for Parts and Tools (Required document for offers, necessary for nomination) (FO.225)
- Packaging instructions
- Advance quality planning checklist (FO.230)
- ppm agreement (FO.233)
- Interface agreement (FO.219)

Order-related documents:

- Delivery schedules
- Quantity contracts
- Individual orders

3 Terms

The terms according to IS0 9000, IS0 9001, IATF 16949 and IS0 14001 and the applicable documents apply

Process engineering products:
In contrast to parts, process engineering products are not purchased in pieces, but in l, m³, kg, etc.

Raw materials and supplies:
Auxiliary and operating materials are all materials that are not part of the KOEPFER product.

Resources:
All facilities required for the production of products at KOEPFER (machines, systems, tools, etc.).

4 Context of the organization

No additional requirements for IATF 16949 and ISO 14001.

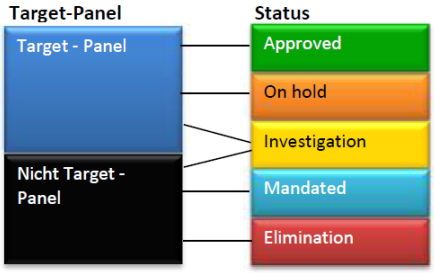
4.1 Customer-specific requirements and supplier status KOEPFER GROUP

The most important information about the status of the supplier's management system is requested by KOEPFER at the beginning of the business relationship using form FO.46 "Supplier self-disclosure". To secure confidential information, the parties agree on a confidentiality agreement (FO.200).
Changes, in particular to current certificates and contact persons, must be reported to KOEPFER immediately and without being asked. The supplier must appoint a product safety officer (see point 10.2). As soon as there is a special customer status from other automotive customers (e.g. controlled shipping, customer shutdown, recall), KOEPFER must be informed immediately.

For special applications, such as aviation, railways, shipbuilding or welding technology, management systems and approvals are necessary that exceed the requirements of points 4.1. go out. These requirements must be specified in separately drawn up appendices or quality agreements.

KOEPFER supplier status depends on the fulfillment of KOEPFER requirements, contracts and performance (see point 9.1).

Definition Target-Panel / Status Lieferanten



The KOEPFER target panel includes the suppliers that KOEPFER would like to work with in the future. They fit our company due to their structure (size, quality, risks, capacity…) and their portfolio. Target panel suppliers receive a supplier evaluation every quarter.
Suppliers that do not fit the KOEPFER supplier portfolio are actively or passively eliminated. As a result, they do not receive any new orders.

Approved:
These suppliers have successfully completed the strategic supplier selection process and are approved for new inquiries and new orders. This release is subject to the following conditions:

- Complete supplier self-disclosure
- Mutually signed confidentiality agreement
- Supplier's consent to the KOEPFER Supplier Codex
- Positive credit check
- Framework delivery agreement signed by both parties including quality assurance agreement (QAA); Optional rental agreement
- Conducted potential analysis
- Supplier key figures at least A, AB or B
- No abnormalities in the sanctions list check

On Hold:
These suppliers are currently blocked (no new inquiries, no new orders) due to current issues with quality, deliveries, communication or prices.
"On Hold" is a temporary status that can be reset to "Approved" when the issue is resolved.
However, due to serious problems, it may also be the case that a supplier no longer fits into the commodity strategy and exclusion is planned.
In addition, this status can be used for commissioned suppliers (by the customer) or those suppliers with main competencies in other product areas.

Investigation:
This status is given to new suppliers who are currently in the approval process. Inquiries can be sent to these suppliers, while orders can only be placed if the supplier is approved ("Approved" status).

Mandated
This status can only be assigned to suppliers specified (mandated) by the customer. These suppliers do not receive any inquiries. However, a mandated supplier may also be attractive for independent business.
In this case, the supplier receives one of the above statuses, depending on the circumstances.

Elimination:
Suppliers that receive the status "Elimination" are removed from KOEPFER's supplier panel. This can be done actively (through relocation or escalation status) or passively (project termination).
No inquiries can be made or orders placed.

4.2 Quality management system

The supplier must set up, maintain and further develop a quality management system in accordance with the following guidelines:
The minimum requirement is a QM system according to ISO 9001 or IATF 16949 in the current version. If the contractual items are delivered for automotive applications, the VDA series of publications "Quality Management in the Automotive Industry" as well as the VDA standard recommendation - field damage analysis also apply.

The supplier will provide the relevant evidence upon request. Certification according to IATF 16949 is mandatory. If certification according to IATF 16949 is not available, the supplier is obliged to submit an action plan with the aim of certification according to IATF 16949.

The supplier must immediately, without being asked and on his own responsibility, present all certificates relevant to the supply of contractual items to KOEPFER to the responsible KOEPFER purchasing department. Certificates must contain proof that they were issued by a recognized certification company (e.g. accreditation symbol or a registration number). Changes in the type/extent of certification, new revision statuses of the certificates or the loss of a certificate must also be reported to KOEPFER immediately and without being asked.
If the supplier is provided by KOEPFER with supplies, in particular production and testing equipment, for the production of the contractual items, the supplier must include these in its QM system like its own production and testing equipment.

To the extent agreed with KOEPFER, the supplier is obliged to procure products (components, semi-finished products and materials) and services from sources of supply approved by KOEPFER. Using these sources of supply

does not release the supplier from his responsibility to ensure the quality of the products and services procured on his own responsibility.

In addition, it is assumed that the supplier works according to an environmental and energy management system that is certified according to DIN EN ISO 14001 or ISO 50001 and fully follows all legal orders of the production site and the end user location.

KOEPFER reserves the right to convince itself or through an appropriate local representative of the effectiveness of these management systems through a system, process and/or product audit. KOEPFER representatives must therefore be granted unrestricted access to the relevant manufacturing, development and testing facilities. This also includes setting up subcontractors.

The supplier must immediately inform the responsible purchasing employee of any changes to the management systems, certification status and contact persons.

4.3 Code of Conduct for Suppliers

To ensure compliance with the areas of environmental management system, social responsibility, labor management, ethnic and moral business standards and information security and data protection, KOEPFER has developed a code of conduct for suppliers; the latest version of this applies equally.
Available on KOEPFER website.

5 Leadership

No additional requirements for IATF 16949 and ISO 14001

6 Planning

If production interruptions occur at the supplier, which means that it is not possible to achieve the defined KOEPFER capacity, the affected KOEPFER factory logistics, the purchaser and the supplier developer must be informed within 24 hours. The supplier must explain the cause of the problem and take immediate measures to ensure product delivery to KOEPFER.

7 Support

7.1 Resources

No additional requirements for IATF 16949 and ISO 14001

7.2 Competence

No additional requirements for IATF 16949 and ISO 14001. Process audits in the supply chain must be carried out by certified VDA 6.3 auditors.

7.3 Consciousness

No additional requirements for IATF 16949 and ISO 14001

7.4 Communication

No additional requirements for IATF 16949 and ISO 14001

7.5 Documented Information

Unless otherwise agreed, all records, documents and records must be retained for up to 15 years after the product has been phased out of series production. Initial sample documents, retained samples and FMEA must be retained for 50 years

8 Operation

8.1 Operational planning and control

No additional requirements for IATF 16949 and ISO 14001

8.2 Requirements for products and services

The supplier and its sub-suppliers must have an expert, English-speaking contact person with all the necessary decision-making skills for production, logistics and quality available during factory-specific working hours.
In addition, outside of factory-specific working hours, emergency telephones must be set up at the supplier and notified to KOEPFER. The contact persons and their representatives must be stated in the supplier questionnaire FO.46. Decision-making authority for the initiation of special measures (e.g. special transport, etc.) must also be clearly defined by the supplier and communicated to KOEPFER. A process plan must be drawn up for the initiation and implementation of special measures.

The business language is the national language of the purchaser's factory, alternatively English.

Parts suppliers must have at least one of the following systems and data formats in place:

Native CAD systems:
Catia V5 R19
Unigraphics NX 10
Creo 2

Interface formats:
cgm (2D)
dxf (2D)
iges (2D / 3D)
steps (3D)
parasolid (3D)

KOEPFER will provide the supplier with all existing product requirements (e.g. specifications, drawings, parts lists and CAD data) in an understandable and meaningful manner. Special features as well as test procedures, test equipment and test procedures are agreed with KOEPFER and fixed in the drawing or in Q agreements.

KOEPFER documents (e.g. drawings, packaging instructions) are only valid from the time the order is placed if they are made available directly by the responsible KOEPFER purchasing department or a copy has been informed. Documents from other areas only serve as non-binding information.

The manufacturability of a product must be proven when submitting the offer on form FO.48 Manufacturability assessment. The supplier will immediately notify KOEPFER of any defects and risks as well as opportunities for improvement that are identified. The joint discussion of the drawings takes place through the discussion on advance quality planning (QVP, FO.230). At the same time, the supplier sends KOEPFER the completed forms FO.225 Cost break-down for parts and, if applicable, for tools.

If KOEPFER releases a tool from the supplier, 100% ownership passes to KOEPFER after full payment.

8.3 Development of products and services

If the order to the supplier includes development tasks, the requirements are specified in writing by the contractual partners, e.g. in the form of a requirement specification / project contract.

Special product features or production process parameters must be marked as a special feature on the drawing, in the FMEA and in the production control plan. Depending on the impact, the following labeling must be used:

- Safety (Importance in FMEA 9/10) K
- Regulatory Compliance H (Meaning in FMEA 9/10)
- Function M
- Fit, performance, further processing M
- Special features and characteristics that can only be discovered by end customers (pass-through features) must be included in the FMEA and the product control plan and marked with PTC

The planning of product realization for all externally provided processes, products and services is carried out with the help of the component risk assessment and the APQP process or VGA maturity level.
As part of a project risk assessment, the support effort is determined taking into account the following criteria:

- New supplier
- New technology
- Use of components
- Manufacturability assessment
- Historical data
- Other reasons

KOEPFER informs the supplier of the project-related dates and contact persons. The supplier names a project manager and defines the project tasks with corresponding deadlines within an APQP (FO.228) no later than 2 weeks after the order was awarded. Unless a special agreement is made, the supplier is obliged to submit an unsolicited project progress report to the responsible purchaser every 14 calendar days.

Sample and release
Depending on development progress, KOEPFER will order samples according to the VDA scheme:

- Model
- A – Pattern
- B - Pattern
- C – Pattern
- D – Pattern
- Series initial samples

A sample test report must be presented for all samples upon initial delivery and in the event of changes. Changes in design and process are only permitted after approval by KOEPFER. In the event of deviations, an application for deviation permission (FO.231) must be submitted and coordinated with KOEPFER before delivery. The requirements regarding identification, labeling and traceability (e.g. construction stage, revision level), as well as the scope of documentation must be clarified with KOEPFER in advance.

Before the start of series production, but at the latest within the scope of the delivery of C samples, the supplier submits initial samples of the contractual product manufactured under series conditions to the agreed extent on time. The scope of the sampling documents to be presented and the procedure (PPAP / PPF) are specified in the checklist for the release of supplied parts.

Further requirements are specified in the KOEPFER guidelines for the release of supplier parts (FO.196). Process capability values of >2.0 and machine capability values >2.0 must be achieved for special features, unless proof of a 100% test must be provided. If the scope of delivery includes parts from sub-suppliers, full initial sample documents for these parts must be provided upon request.
The parts are to be taken from the production of a 2-day supply based on the required annual quantity. The acceptance after process audit / acceptance of 2-day production and a capacity analysis according to FO.229 must be submitted.

The samples and initial sample deliveries must be clearly marked as such with the sample or change status. Approval of the initial samples by KOEPFER does not release the supplier from responsibility for the series quality of the products.

The production control plan must contain the planned and coordinated measures for start-up security (care control/GP12/duration/quantity) and the planned requalification tests. If a high risk is identified for the procurement project at KOEPFER, maturity level assurance according to VDA is necessary and acceptance of the manufacturing process is possible through an audit (see point 9.2)

In general, initial sampling does not need to be carried out for process engineering products (bulk material). To release the materials, the supplier must present the product specification, the accepted KOEPFER ordering standard, the production flow plan and the production control plan. If necessary, KOEPFER coordinates further requirements and sample deliveries with the supplier.

If the release documents or deviations are incomplete, the fully completed application for deviation permission (FO.231) must be enclosed. KOEPFER then checks whether a special release is possible. The supplier undertakes to obtain approval from KOEPFER (FO.232; application for change) at least 6 months before making changes according to the trigger matrix for PPF procedures VDA Volume 2 and relocating to other production sites and to carry out a new initial sampling of parts. If production of a product is discontinued or if it becomes known that a product will be discontinued or no longer available, the supplier undertakes to obtain KOEPFER's consent at least 12 months in advance and to ensure delivery for this period. Subcontractors must be obliged accordingly.

All changes to the product, the process chain and systems are documented by the supplier in a product history and presented to KOEPFER upon request.

Environment
Potential environmental risks and impacts at KOEPFER must be taken into account, particularly during development and process planning, and communicated to KOEPFER. Substances banned by the automotive industry (GADSL) and substances that fall under RoHS may not be used. Furthermore, substances and substances in products may only be used for applications registered in REACH.

The supplier undertakes to provide a fully completed, current EU safety data sheet and one in the respective country for products that may pose a danger to people and the environment or which must undergo special treatment due to regulations in terms of packaging, transport, storage, handling and waste disposal The KOEPFER ordering system must be accompanied by a valid safety data sheet in the respective native language or sent to the central email address purchasing@KOEPFER.com. This must be sent without request after any changes. The contractor is obliged to comply with the country-specific regulations on radiation protection. The country-specific values for the activity concentration of natural radioactive substances, materials, components or systems must not be exceeded. Material data regarding the ingredients of products must be entered into the international material data system IMDS (www.mdsystem.com) or CAMDS (for China) for initial sampling or reported to KOEPFER in a similar manner. Upon request, the data must already be provided for sample phase B.

The following points must be noted in IMDS:
All MDSs processed by KOEPFER must be sent to the local IMDS ID, which will be communicated to the supplier in the project phase. Only the KOEPFER part/item number and the data on the drawings must be used. The part weight must be stated in grams. A deviation of 0% must be aimed for. Provisional MDSs are not permitted; forwarding must be permitted.

8.4 Control of externally provided processes, products and services

The supplier must ensure that externally provided processes, products and services meet the KOEPFER requirements of the KOEPFER logistics guidelines.

8.5 Release of Products and Services

The scope of the requalification of deliveries to KOEPFER corresponds to the repetition of the initial approval in terms of dimensions, function, reliability and material. The requalification must be carried out annually free of charge for each part number and the test carried out must be confirmed to KOEPFER. Part families can be merged in consultation with KOEPFER. The results must be made available to KOEPFER for inspection upon request.

KOEPFER reserves the right to appoint independent third party inspectors to the supplier to ensure that the supplier only delivers approved products to KOEPFER factories.

8.6 Control of non-conforming results

Special releases from KOEPFER must be applied for using form FO.231 Application for deviation permit.

9 Evaluation of performance

9.1 Monitoring, measurement, analysis and evaluation

Supplier evaluation
KOEPFER regularly evaluates the performance of its suppliers. The supplier is informed about his assessment at least every six months

Evaluation factors are:

- Main criterion 1 quality indicators
  - Sub-criterion 1: Delivery quality (defective units – ppm) (N1)
  - Sub-criterion 2: Management system (N2)
  - Sub-criterion 3: Special trips (N3)
  - Sub-criterion 4: Communication / 8D (N4)
  - Sub-criterion 4: Credit score (N)

The individual weighting within the key figures is as follows:

	Criteria	Weighting	Abbreviation
sub-criterion 1	Delivery quality	0,5	N1
sub-criterion 2	Management system	0,1	N2
sub-criterion 3	Special trips	0,1	N3
sub-criterion 3	Communication / 8D	0,1	N4
sub-criterion 5	Credit score	0,1	N5
Sum	Quality Score	1	QKZ

Hauptkriterium 2 Logistikkennzahl

- Unterkriterium 1: Mengentreue (MT)
- Unterkriterium 2: Termintreue (TT)

The individual weighting within the key figures is as follows:

	Criteria	Weighting	Abbreviation
sub-criterion 1	Adherence to quantities	0,5	MT
sub-criterion 2	Adherence to deadlines	0,5	TT
Sum	Logistics Score	1	LKZ

Each main criterion counts as an individual assessment. The ratings are offset against each other and result in a final overall rating and overall classification. Each criterion receives an A, B, or C, CC rating.

The assessment is carried out depending on the products purchased and the associated qualification class.
Details are regulated by the supplier evaluation process.

Suppliers rated C or conspicuous will be blocked from new developments until at least B level is achieved (see Chapter 4.1).

If the zero-defect goal cannot be achieved in the short term, KOEPFER will agree on temporary special measures and ppm targets for parts together with the supplier. Falling below the agreed error limits does not release the supplier from his obligation to process all complaints and to continue continuous improvement.

The supplier undertakes to provide financial compensation (discount) in accordance with the associated customer contract. Typically this takes the form of a multi-year contract (staggered cost reductions over a period; e.g. 3 years/5% discount). This requires continuous improvement and increases in efficiency during the term.

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Supplier escalation model

If problems arise with regard to delivery, product quality, commercial issues or in the course of new projects, KOEPFER will escalate the situation with the supplier.

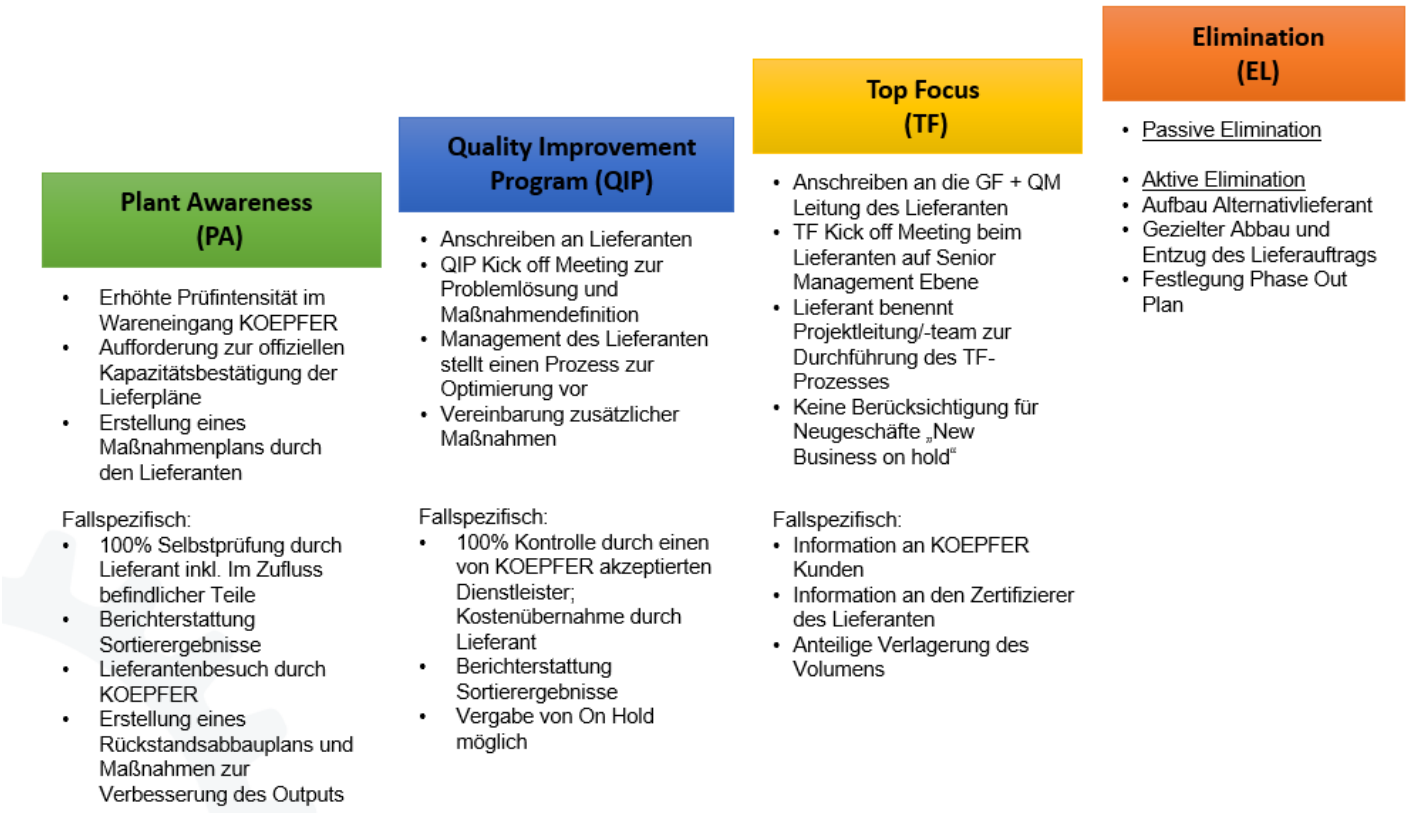
The supplier must make extensive efforts to restore a normal situation. These include, for example:

- Joint regular escalation discussions
- Appointment of an internal project manager / task force manager
- Using problem solving tools such as Ishikawa and 5 Why
- Controlled shipment levels
- Escalation to higher management
- Lessons learned reports
- Cost Workshop
- Quality or logistics representative on site
- Supplier audit
- Use of an on-site resident paid by the supplier

Suppliers in escalation status are given limited consideration in tenders and new business orders.

Differentiation into four escalation levels

As a rule, the escalation process is initiated with the first level PA (Plant Awareness) (see escalation model). However, for important reasons, suppliers can be placed directly into a higher escalation level or skip levels. The following illustration is intended to provide a basic overview of the escalation model; the details are regulated by the supplier escalation model guidelines.



9.2 Internal Audit

The supplier allows KOEPFER to carry out audits to determine whether its processes meet KOEPFER's requirements. An audit is usually carried out as a potential or process audit according to VDA 6.3 and is announced in good time.

The supplier grants KOEPFER and - if necessary - its customers access to all operating sites, including test laboratories, warehouses and other areas of interest, as well as access to relevant documents and also ensures this for its sub-suppliers. Appropriate restrictions on the part of the supplier to protect its trade secrets are accepted. KOEPFER informs the supplier of the results of these audits. For all findings, the supplier undertakes to immediately draw up an action plan, implement it in a timely manner and inform KOEPFER of this.

The product and customer-related process audits must be carried out for all production processes at least every 36 months and made available to KOEPFER upon request. The process audits must be carried out by certified VDA 6.3 auditors in accordance with the current status of VDA 6.3.

The relevant AIAG CQI requirements catalog (e.g. CQI 15: Welding System Assessment) must be used. An annual self-assessment according to AIAG CQI-9 is required for suppliers in the heat treatment sector. Appropriate action plans to comply with the requirements must be drawn up and implemented.

Product audits in accordance with VDA 6.5 must be carried out by the supplier at least every 12 months at his own expense and made available to KOEPFER upon request.

Requalification tests must be carried out by the supplier at least every 12 months at its own expense and made available to KOEPFER upon request. If deviations from this are required as part of the project, these must be agreed in writing.
If the supplier requests deviations from the requalification tests, these must be agreed in writing with KOEPFER in advance of the delivery or project.

9.3 Management review

No additional requirements for IATF 16949 and ISO 14001.

10 Improvement

10.1 General

No additional requirements for IATF 16949 and ISO 14001

10.2 Nonconformity and Corrective Actions

Delivery reliability
Backorders or immediate requirements that cannot be delivered must be reported by the supplier immediately and without being asked and special measures must be taken to resolve them immediately (e.g. shift extension, weekend work, etc.). KOEPFER must also be informed by telephone and in writing about the cause, the measures taken and any delivery quantities and dates that deviate from requirements. In the event of systematic errors, a CIP process must be initiated and regular tracking of the measures initiated must be coordinated with KOEPFER.

Quality performance
Due to the quality management system required by suppliers, KOEPFER carries out a limited incoming goods inspection from a statistical perspective.

KOEPFER will immediately report defects in a delivery to the supplier as soon as they have been discovered in the course of normal business. The supplier receives information about the problem, problem determination, KOEPFER part number, number of non-matching products and, if possible, information about the batch from the KOEPFER coordinator. Any products complained about will be returned immediately, carriage paid. All communication regarding problem

solving takes place with the responsible coordinator at KOEPFER. The supplier uses the 8D form for responses to KOEPFER.

Short-term measures at KOEPFER within 12 hours:
If sorting out or repairs are possible, KOEPFER requires a qualified team from the supplier to carry out the corrective measures on site within 12 hours. If this scheduling is not possible, an external company can be called in for sorting or repairs either directly or until the supplier's employees arrive. The supplier is responsible for these external sorters, must commission them and coordinate the desired tasks and reporting. In exceptional cases, if there is a particular urgency or the supplier cannot be reached, KOEPFER is entitled to remedy the defect itself at the supplier's expense.

Short-term measures at the supplier within 24 hours:
The supplier must take the following measures within 24 hours:

- Sorting or repairing the warehouse in the production facility
- Sorting or repairing transport and storage materials
- Marking correct products to be sent to KOEPFER
- Processing up to the immediate measures step (D3) of the 8D report and sending it to the KOEPFER coordinators
- Information to the quality department of the factory in question

The short-term measures may only be lifted after consultation with the KOEPFER coordinator. The supplier bears all costs incurred, for example replacement deliveries, sorting and rework, and express transport.

Root cause analysis within a week:
Within five working days, the supplier sends a detailed cause analysis (D5) with the possible corrective measures on the 8D form to the KOEPFER coordinator.
KOEPFER expects the 8D report to be completed within 20 working days, provided no longer-term measures need to be implemented. In this case, an extension of the completion date must be applied for. The effectiveness of the measures must be confirmed by the supplier through an internal audit. The supplier may be requested to present the corrective measures at the affected KOEPFER factory or during an on-site visit.

The supplier appoints an internal or external Product Safety & Conformity Representative (PSCR) for each production facility, who carries out detailed risk analyzes in all project phases of the product development process in the event of an accumulation of errors, repeat errors and field failures and communicates directly with KOEPFER.

For field failures and serial damage (accumulation of defects with the same cause of failure or design defects), the supplier must carry out a detailed damage analysis in accordance with the VDA volume “Field damage analysis” and report the results to KOEPFER.

Corrective measures resulting from complaints must also be taken for similar processes and products.

10.3 Continuous Improvement

No additional requirements for IATF 16949 and ISO 14001