SUPPLIER

QUALITY MANUAL

YAZAKI Europe Group

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1 Glossary of Terms

APQP	Advanced Product Quality Planning
BOS	Business Operating System
BU	Business Unit
CLP	Classification, Labeling and Packaging
EDI	Electronic Data Interchange
EH&S	Environmental Health and Safety
ELV	End of Life Vehicle
GADSL	Global Automotive Declarable Substance List
GQRS-C	YAZAKI Global Quality Reporting System for Components
IMDS	International Material Data System
IS	Initial Sample
KPI	Key Performance Indicator
MAM	Manufacturing Auxiliary Materials
MDS	Material Data Sheet
NDA	Non-Disclosure Agreement
OCM	Original Component Manufacturer
OEM	Original Equipment Manufacturer
OHSAS	Occupational Health and Safety Assessment Series
PO	Purchase Order
PTC	Porto Technical Centre
PPAP	Production Part Approval Process
PPM	Parts Per Million
PSW	Part Submission Warrant
REACH	Registration, Evaluation, Authorization and Restriction of Chemicals
SD	Supplier Development
SDS	Safety Data Sheet
Shall	Mandatory requirement
Should	Recommendation
SICR	Supplier Initiated Change Request
SoC	Substance of Concern
SPDM	Supplier Performance Deviation Management
SQA	Supplier Quality Assurance Engineer
SQE	Supplier Quality Engineer
SQIP	Supplier Quality Improvement Plan

SVHC	Substances of Very High Concern
PTC-SDDC	Porto Technical Center - Supplier Development Documentation Center
YEG	YAZAKI Europe Group

2 Scope

The requirements defined in this Supplier Quality Manual apply to all suppliers of safe and marketable goods and services, in particular production parts and materials to Plants and BU customer locations within the YAZAKI Europe Group (YEG).

3 Purpose

The purpose of the YAZAKI Europe Group's Supplier Quality Manual is to clearly define the quality system procedures and disciplines to ensure and maintain a successful and professional relationship between YEG Purchasing and suppliers.

These expectations are YEG specific and are based upon and in addition to the latest editions of the following International and Global Management Standards: ISO9001, IATF16949, ISO14001, ISO 45001, Core Quality Tools (APQP, PPAP, FMEA, SPC and MSA), OEM/Customer Specific Requirements as well as applicable European Union environment legislation, and any applicable local legal requirements.

4 Management Systems requirements

4.1 Quality / Environmental / Health & Safety Management System

YAZAKI Europe purchase policy is wherever possible to only purchase goods & services from suppliers that hold third party accreditation for their Quality, Environmental and Occupational Health & Safety Management Systems. Ultimately, all suppliers will be required to hold third-party certification to latest editions of **IATF 16949**, **ISO14001** and **ISO45001**.

Not being certified has a negative impact on the YEG Supplier Score Card performance.

In the case of a certificate suspension decision from the supplier's third-party accreditation body, YEG shall be informed by the supplier within 30 days of the decision. **All suppliers of YEG shall be third party registered to ISO9001** (latest edition) by an accredited third-party certification body. YAZAKI Europe reserves the right, whenever deemed necessary, to carry out its own assessments on suppliers and / or their subcontractors (by agreement with the supplier).

Remark to IATF 16949 certificates:

IATF 16949 certificates are considered as valid only if provided by an **IATF recognized certification body.** Non-compliant suppliers shall provide a timing/transition plan to move as soon as possible to an approved IATF Certification Body - official list at the IATF site.

Certificate Management – YEG Supplier Portal:

Suppliers are required to manage their certificates of all active sites (Manufacturing locations, Sales offices & Logistic/ Warehouses/ Distribution Centres) in the YEG Supplier Portal. Latest versions of Management System certificates shall be uploaded in this portal, as a minimum ISO9001, IATF 16949, ISO14001 and ISO 45001 certificates, other certificates are optional. Automatic system messaging to supplier users is activated once certificate expiry dates are entered. For further details refer to the ´YAZAKI Europe Group Certificate Manual´ posted at the Supplier Portal

4.2 Environmental Product Compliance

The supplier shall take responsibility to ensure compliance to all relevant environmental legislation, both applicable to the regions where goods are produced and/or sold or services are performed, as well as any additional specific requirements from customers. When necessary, investigations within the supply chain shall be done to assure all requirements are communicated effectively and complied with.

All products and materials (including packaging thereof) delivered to YEG shall be conform with below regulatory requirements:

- ELV, Directive 2000/53/EC
- REACH, Regulation (EC) No. 1907/2006
- RoHS (Restriction of Hazardous Substances), Directive 2011/65/EU
- CLP, Regulation (EC) No. 1272/2008
- Biocidal Products, Regulation (EU) No. 528/2012
- Packaging and Packaging Waste, Directive 94/62/EC
- Ozone Depletion Substances, Regulation (EC) No. 1005/2009
- POP (Persistent Organic Pollutants), Regulation (EU) No. 2019/1021
- Waste Framework, Directive 2008/98/EC
- Turkey REACH – KKDIK Regulation, Official Gazette No. 30105
- Turkey CLP – SEA Regulation, Official gazette No. 28848
- Turkey SDS – GBF Regulation, Official Gazette No. 29204
- Russia REACH – EURASIA TR EAEU 041/2017
- Russia SDS – GOST Standard 30333-2007
- GADSL (Global Automotive Declarable Substance List)
- YAZAKI Group Self-Control Substance List

plus all applicable revisions and amendments to the legislation that affect products in the supply chain and other local applicable legislations.

IMDS - International Material Data System, see http://www.mdsystem.com

In order to collect the necessary material data information, YEG requires that suppliers report it through the International Material Data System directly.

YEG´s IMDS Company ID# is 223417. YEG's acceptance criteria are based on IMDS recommendations.

Supplier must be aware of updates to the GADSL and ensure that information submitted is correct and comply with the recommendations of the IMDS system.

YEG can request clarifications and corrections to previously submitted and accepted IMDS data.

EU REACH Regulation (EC) No. 1907/2006

The Supplier must fulfill all obligations due to Registration, Evaluation, Authorization and Restriction of Chemicals. This includes communication obligations of SVHC in articles, even for spare parts and packaging.

Suppliers located outside the European Union have to name an Only Representative (OR) if they deliver products defined as ´substances´ or ´mixtures into the area of validity of the REACH regulation. The OR ensures that the REACH obligations are met. The OR's name has to be notified to the YEG.

REACH SVHC

All substances added to the Candidate List and present in products above 0.1% w/w must be notified to YEG. When the Candidate List is updated and new Substances of Very High Concern (SVHC) are added then the obligation for suppliers to inform their customers becomes immediately effective.

The supplier is requested not to use SVHC in articles and mixtures delivered to YEG.

REACH Annex XIV (Authorization List)

Supplier shall not use any substance included in this list.

REACH Annex XVII (Restriction List)

Supplier shall only use substances from the list if it complies with the restrictions.

Safety Data Sheet (SDS)

For chemical products and raw materials suppliers are required to send an updated SDS to YEG in English language and in the local language of the YEG affiliates using these products. The SDS must be in accordance with REACH and CLP legislation requirements.

In order to complement the Environmental Product Compliance requirements, a signed copy has to be returned of following documents:

1. **REACH Declaration of Intent**
2. **SoC Checklist**
3. **Packaging Agreement**

4.3 Corporate Social Responsibility and Supplier´s Code of Conduct

YEG follows Corporate Social Responsibility activities based on the global YAZAKI Group Corporate Social Responsibility Policy and Strategy. YEG specifies detailed requirements towards its suppliers in the document `Supplier's Code of Conduct´. The whole set of documents is available on YEG's homepage, section `Suppliers - Purchasing Documents`.

5 New Parts/Products

For each new part / product or first time buy for YEG, the supplier must submit initial samples (IS) with a complete report and supporting documents in accordance with requirements of IATF 16949, related AIAG manuals APQP & PPAP (latest edition) and any other OEM/Customer specific requirements specified during contract release free of charge. The report must contain YAZAKI part number, technical engineering level and clear and complete supplier identification data. PPAP packages must be complete, accurate and up to date for the products / parts in question at all times. Samples shall be provided free of charge to the PTC laboratory for SoC, to the relevant YEG manufacturing plant for assembly trials, and to the SQE upon request (see 5.6).

The suppliers of proprietary or other products /parts must provide documented evidence of formal OEM / customer approval of product validation, which clearly demonstrates conformance to YEG requirements and OEM/customer requirements, including a signed PSW. Where PSW's must be updated on a regular basis, according OEM requirements e.g. annual lay-outs, suppliers will be notified by PTC-SDDC to submit updated PPAP documentation free of charge. Initial Samples must be sent as scheduled and always before the start of volume production. Samples must be identified with "Initial Sample" labels and accompanied by appropriate documentation. YEG Purchasing, SQE or PTC-SDDC may define samples delivery to the relevant YEG `Pilot Plant`.

5.1 YAZAKI Designed Products

For all YAZAKI designed products / parts and upon request of YEG, APQP must be applied by the supplier.

APQP / Project Management must be tracked via the **SupplyOn platform** (www.supplyon.com). Supplier shall register to SupplyOn platform if required. In that case, SupplyOn Connect-membership fee is at the cost of the supplier. Projects will be kicked off by the SQE who specifies APQP and PPAP scope.

Additionally, a Process Sign Off (including VDA 6.3 Process Audit, R@R, Capacity Check) must be carried out by the SQE (or by supplier) before initial sample submission, in order to validate the process and product (in accordance with IATF 16949 and any other OEM / Customer specific requirement. See also Section 16.

5.2 Samples

Initial and SoC-samples (see 5.6) must follow the requirements with first submission to YEG. Supplier will be requested for corrective actions including resubmission if any deviation is recognized by SQE or PTC-SDDC.

5.3 Packaging

Material packaging is part of the PPAP and as such to be agreed and validated during project phase, prior to PSW approval. Packaging material must be according to REACH regulation, Packaging directive, customer and local requirements. A **`Packaging Specification`** template is available at the YEG Supplier Portal. For further details see `YEG Supplier Logistics Manual´

5.4 Incomplete Reports

In case of report incompleteness, the PPAP submission will be rejected.

5.5 IMDS

For each new part an MDS according to IMDS recommendations must be submitted to YEG via IMDS system and the information of MDS ID-number must be stated in the PPAP documentation. For all products / parts supplied, the supplier must automatically provide any changes to MDS. See also 4.2.

5.6 Evidence of SoC-conformity

In order to restrict or eliminate hazardous substances and ensure that all components, materials and manufacturing auxiliary materials used by YEG fully comply with ELV/ RoHS directives, all suppliers shall submit one of the following two deliverables:

1. **Samples free of charge to PTC Laboratory for SoC compliance testing**

   The minimum Samples Quantities, that is necessary to send to laboratory to perform XFR-tests are the following:

   - Components:
     - Connectors, grommets, assemblies, fuse box: 4
     - Labels: 20
     - LCD's, PCB's: 6
     - Terminals, springs, nuts, bolts; fuses: 15
     - Only Plastic Protectors, covers (≥ 200 mm): 1
   - Tube / Wire: 500 mm
   - Tape: 1 Roll
   - Liquid: 100 ml
   - Powder sample: 10g
   - Metal Sheet sample: total size ≥ 50 cm2
   - Plastic Sheet sample: total size ≥ 10 cm2
   - Raw Material: 50g

   Tests performed in the YEG PTC Laboratory are XRF-screening and / or Thermal Desorption Mass Spectrometry (qualitative tests) and are conducted for each homogeneous material. If one or more elements under analysis were detected above YEG Screening limits during these tests, a more accurate technique is required (quantitative test).

   In this case supplier shall submit samples of the affected single component for the additional tests free of charge. Quantities of the additional samples required, depend on the substance to be measured:

Element	Testing technique	Minimum quantities required (equivalent to)
Cadmium (Cd)	ICP-OES	0.1g
Lead (Pb)	ICP-OES	0.1g
Hexavalent Chromium (Cr6+) - metal	Colorimetric method using UV-Vis	25cm2 (superficial area)
Hexavalent Chromium (Cr6+) - nonmetal	Colorimetric method using UV-Vis	0.35g
Mercury (Hg)	ICP-OES	0.1g
PBB / PBDE	GC-MS	0.1g
Phthalates	GC-MS	1.0g

or

2. Evidence of SoC process conformity of the product:

Test report (not older than 12 months) with data measured by a laboratory that is accredited to ISO17025.

The valid legal limits can be found in the latest version of the on ELV/ RoHS directives.

5.7 Communication of Approval

SQE will notify supplier with a documented approval or rejection of the IS and PPAP submission. In the event of rejection, YEG Purchasing will be notified for consideration in tool payments.

5.8 Records Retention Table

Document Type	Examples	Must be retained for
APQP and PPAP documentation	Production part approvals, APQP records, Technical specifications, drawings, process flow charts, FMEA, control plans, manufacturing instructions, …	at least **15 years** after product / part or herewith processed final product has been placed on the market or the length of the time that the part (or family of parts) is **active** for production and service requirements **plus, one calendar year** unless otherwise specified by YEG or any OEM specific requirements
Quality Performance records	Control charts, inspection and test results, product audits, lay-out inspection, functional testing, …	
Product Safety related records	Safety relevance and conformity, Critical Characteristic	A minimum of **20 years** from the date of manufacture

6 Modified Parts

For YEG-nominated (design) parts, no modifications will be accepted without YEG's written approval. This applies to all modifications suggested or requested by supplier, YEG and OEM. For non-YEG nominated parts, supplier shall inform YEG in writing according to the Supplier Initiated Change Request (SICR) process (see 6.3) with appropriate documentation about any modification, 90 days prior to first shipment of parts. In all cases a new PSW shall be submitted.

6.1 Change Categories

A modification may be due to any of the following which could affect fit, form or function:

A. Part modifications:
- Dimensions
- Raw material
- Technical specification (performance / test method)

B. Change of supplier or site (Material or service)

C. Process change:
- New tool
- Tool modification
- Process modification
- New process / technology

D. Plant change:
- Production / Tool transfer to a different plant
- Pick-up location change

For any above **modification affecting the material of supplied components,** a new MDS shall be submitted to YEG via IMDS system and samples shall be sent by the supplier to PTC for SoC testing free of charge or provide a SoC test report. See also 5.6.

The supplier is responsible for any modification (independent from originator of the change) affecting the product they supply.

6.2 Change Notification across the Supply Chain

YAZAKI Europe must also be informed in advance with **submission of an SICR in the YEG Supplier Portal** when products / parts manufactured by suppliers' subcontractors and when a modification (see 6.1) is proposed in response to a subcontractor request or any OEM request via sub-tiers.

6.3 Process Steps

A. Submission of SICR form, duly filled out, **at least 90 days** prior to implementation date on the **YEG Supplier Portal** including detailed information explaining the change / modification. See also specific info at the YEG Supplier Portal.

B. SICR info will be analyzed upon receipt. Depending on the modification type, additional samples might be required at YAZAKI Europe Pilot plant for functional testing (see 5.2) and at PTC Lab for SoC tests. Alternatively, to the submission of samples for the SoC test, supplier shall provide a SoC test report (see 5.6). Please contact the YEG SQE.

C. Provision of a change implementation schedule to affected YEG manufacturing plants.

D. Provision of evidence about security stock level to ensure parts delivery during any change related production down time. In the event of irreversible modifications, the security stock must be validated together with affected YEG manufacturing plants prior to implementation of the modification, and records kept and made available to YEG (if required).

E. Identification of new / changed part level. Whenever a change occurred packaging of the next three consecutive deliveries to YEG manufacturing plants must be identified with an orange or otherwise agreed label.

7 Annual Product Verification

Verification testing shall be performed annually to ensure the intended design requirements are maintained. All applicable documents shall be updated to reflect product performance throughout production, including updates to the original PPAP (or equivalent) submission and dimensional annual layout. All appropriate design verification documentation must be made available within 48 hours upon YEG's request.

8 Deviations / Concessions

Deviations / Concessions will only be considered for a specific quantity of parts / products or a specific time frame and must be documented and signed by a YAZAKI Design Engineer and YEG SQE

8.1 Deviation

A Deviation is a written request from a supplier to knowingly manufacture parts/products which in some way, do not conform exactly to specification i.e. supplier cannot produce parts according to specification and requests YEG for deviation approval.

8.2 Concession

A concession is the written request from a supplier to ask YEG to accept and use parts already made / in transit, which do not conform to specification, and which the supplier has only become aware of after manufacture.

8.3 Handling of Deviations / Concessions

Deviations / concession shall be communicated by using the CDAR form (Component Deviation Approval Request). The CDAR form is available at the YAZAKI Europe Supplier Portal. YEG's decision on a deviation / concession will always be given in writing. Representative samples should be submitted with the CDAR form to the responsible SQE who will further coordinate with related Engineering Dept. and SQA of the affected YEG manufacturing plant. If YEG accepts the deviations / concessions, each delivery must be identified with a label "Deviation / Concession 'X'".

9 Counterfeit electronic components

Distributors / suppliers of electronic components shall provide evidence of genuine components prior to supplying YEG. Based on the receiving YEG manufacturing plant requirements, supplier must submit minimum evidence, but not limited to, pictures of component packaging, packaging label and component marking. The affected YEG manufacturing plant can verify the evidence provided with the original component manufacturer (OCM) and all related costs (warranty field cost, revalidation, etc.) will be charged in case any deficiency is detected.

Distributors / suppliers are obliged to demonstrate capable component management to avoid any infiltration of counterfeit components at any time.

10 Treatment of Complaints / Rejections

The supplier is responsible for the quality of parts/products delivered at all times. He is also responsible for delivery of the correct parts / products, to the correct YAZAKI Europe location. The supplier's responsibility is not only for his individual part, but also for any concerns / rejections / recalls etc. with YEG products/ parts which have been produced using supplier's defect / suspect product/parts and are related to those defect / suspect product /parts. Whenever a quality concern has occurred, the cartons of the next three separate O.K. deliveries must be identified with an **extra green label**.

10.1 Treatment of Quality & Logistic Complaints / Rejections

The supplier shall apply the eight disciplines (8D) root cause analysis problem solving methodology and have evidence of official training on problem solving techniques.

The supplier must provide to YEG facilities an 8D report which must be in the English language, and which upon closure, clearly defines and verifies corrective actions implemented to eliminate the root cause.

This process must be carried by the supplier using the web-based YAZAKI Global Quality Reporting System for Components (GQRS-C) (https://gpdb.yazaki-europe.com/sm_apps/). User Manuals are posted in the portal, if necessary, further guidance / advice on the correct use of this system can be obtained from the SQA and/or SQE.

10.2 Responsiveness / Pro-Activeness

Suppliers are selected because of their competence, qualification and particular commodity experience in an automotive environment. This includes that suppliers must be responsive and proactive for the entire life of the product.

Design and Development phase:

Suppliers must assist YEG project teams to find the best technical solutions at competitive prices, without compromising the required level of quality.

Production phase:

Suppliers must be committed to provide the necessary resources to resolve any concerns as top priority.

Post-production phase:

Suppliers must be committed to support and take responsibility for any concerns occurring after production phase i.e. field claims, warranty concerns.

10.3 Immediate Corrective Action

The supplier shall name a ´Champion´, who is the responsible contact person, for each supplier manufacturing location. When YEG and associated companies receive products from more than one supplier manufacturing location, the supplier shall name a European coordinator to assist communication.

Production flow interruption: In the event of non-conformities, the supplier must provide corrective actions necessary to ensure YEG production without interruption. These actions may include sorting, rework, containment, immediate replacement of defectives, and identification of `OK` parts / materials, and the presence of the supplier's personnel in the YEG facilities affected, at supplier´s cost. Suppliers must respond within 24 hours (maximum) when notified of a concern.

Agreed containment action may include visits of specific supplier personnel to YEG facilities to review / analyze the concerns. This is in addition to supplier personnel who may be carrying out sort / rework activities, as referred to above.

Suppliers shall provide YEG with an initial 8D root cause analysis report using the GQRS-C portal, identifying containment actions (3D) within 24 hours. The appropriate YEG SQA personnel responsible for handling the concern must review and approve the proposed supplier actions.

10.4 Permanent Corrective Action

Suppliers must provide YEG with 8D root cause analysis report within 10 working days with an 8D report detailing complete corrective action.

A corrective action-timing plan (in conjunction with 10.3 above), must be submitted to the appropriate SQA personnel, who must approve the proposed plan / actions.

11 Customer Line Returns and Warranty Returns to YEG

If supplier responsibility is identified, customer line returns and warranty returns will be managed as quality incidents and reported in the GQRS-C portal. The same process applies as explained in section 10.

12 Repetitive Problems

A repetitive problem indicates that the corrective actions according to 8D report were not effective or not implemented. Moreover, the effectiveness of the corrective action was not verified, as required by the 8D process.

In the case of repetitive problems, YEG may request supplier's senior management to visit the YAZAKI Europe plant to propose and commit to a complete business action plan.

Supplier shall provide 100% inspection and identification of purchased parts /products until the problem is eliminated (Controlled Shipping), and if requested by YEG, must agree to a process audit at the relevant supplier facility.

13 Cost of Non-Quality

In the case of quality and supply concerns caused by suppliers and accepted as justified by the supplier, all direct and indirect costs incurred at YEG in particular for exceeding delivery dates, labor, materials, additional freight, lack of output, plus any other associated costs will be fully charged back to the delinquent supplier. This will be based upon the data collected via the GQRS-C portal (Cost Agreement) related to the length / magnitude of the concern /rejection.

14 Product Traceability

Products supplied to YEG shall be traceable up to batch production or up to a maximum of 8 hours of production, whichever is smaller. Supplier shall ensure that the traceability plan maintains its integrity all the way back to each production step and inspection lot across the entire supply chain.

Upon Yazaki's request the traceability plan shall be agreed with the individual SQE.

15 Supplier Performance Evaluation / Supplier Score Card

Supplier Quality & Logistic Performance is measured against following KPI´s:

1. PPM Performance
2. Rejection Performance - Rejections per million (RPM)
3. 3D Reactivity Performance
4. 8D Reactivity Performance
5. Documentation Performance
6. Delivery Performance
7. Number of Rejections
8. Line-stop Performance
9. 3D Reactivity Performance of Customer Concern

Downgrading criteria: Certification Performance and subcategory fail (D level). The overall status (A, B, C, D level) is the sum of all KPI scores and considering the downgrading:

SCORE	LEVEL	STATUS
85 ≤ Score ≤ 100	A	Preferred
67 ≤ Score < 85	B	Acceptable
50 ≤ Score < 67	C	Probationary
0 ≤ Score < 50	D	Unacceptable

For detailed information, refer to the `YAZAKI Europe Group Supplier Score Card Manual´ stored at the YEG Supplier Portal.

16 Quality Objectives - Quality Improvement Plan

16.1 Zero Defects Philosophy

All suppliers are expected to drive **Zero Defects Philosophy** throughout their supply chain, aiming to deliver defect free material at the required time. The ultimate quality target can only be zero PPM.

For suppliers defined as high impact, individual PPM Targets per project will be defined and specified, considering the product and technology as well as given customer requirements, in project specific documentation.

The **quality objective** on parts/products used on new projects i.e. projects in ramp-up prior to volume production, will be negotiated between SQE / supplier at the relevant time, but the ultimate target / objective will still be defect free deliveries (zero PPM).

16.2 Supplier Development / Quality Improvement Plan

The supplier quality performance is monitored and is the base for deploying development activities to improve Quality, Cost, Delivery and Environmental objectives.

For suppliers defined as high impact and / or with a decreasing quality performance trend

are expected to deliver a comprehensive **Supplier Quality Improvement Plan (SQIP)** for continuous improvement of their system, organization, etc., showing how Quality, Cost, Delivery and Environmental objectives are to be achieved.

Individual **Quality Commitments** with quality objectives are set-up by the SQE and agreed with the Supplier on a yearly basis, at a minimum.

17 Supplier Audits

Audits at supplier premises may be performed for following reasons:

- New supplier
- New supplier location
- New / additional business
- New process
- During APQP, before and or after PPAP/Product approval
- Poor performance
- After a major incident
- Other…

The supplier will be notified in advance in due time in comparison to the audit reason by the YEG Auditor / SQE about any planned audit activity. The supplier is responsible to be well prepared for the audit including submission of the self-assessment in advance in order to assure the audit can be conducted in a proper way. The Audit format applied is the VDA 6.3 standard but can also be any other Customer specific assessment questionnaire.

YEG reserves the right to charge the supplier for the expenses incurred if an unacceptable audit score level or preparation is detected during the on-site audit.

The related costs will be clearly communicated through YEG Purchasing.

18 Continuous Improvement

Suppliers to YEG are expected to drive continuous improvement activities throughout the whole organization.

Besides the basic standards of high level housekeeping / 5S, Visual Management, Mistake Proofing tools (Poka-Yoke) and good problem solving methods, it is also recommended to implement and maintain a Lean Management philosophy and principles using tools such as Value Stream Mapping, Single Minute Exchange of Die (SMED), Overall Equipment Effectiveness (OEE), Kanban, Standardized Work, Total Productive Maintenance (TPM) etc. The respective SQE will verify the level of implementation during on-site visits / audits.

19 Supplier Performance Deviation Management - Escalation process

The Supplier Performance Deviation Management procedure is a proactive 3-stage escalation process. It defines the process and actions for issuing and conducting reviews to suppliers delivering material or service with deviating performance (quality, commercial, logistic) to YEG manufacturing plants and Business Units.

For each of these levels, related letters are submitted describing the deviation and the required next steps. Each letter has to be acknowledged, confirmed and appropriate actions have to be submitted.

Level 1 review: YEG and supplier representatives
Level 2 review: Management level
Level 3 review: Executive Management level

If the supplier's corrective action is unsuccessful and the performance level continues, passing the deadline determined in the Level 3 review, the supplier's long-term relationship with YEG will be assessed and may ultimately result into a New Business Hold status.

20 YAZAKI Europe Group Supplier Portal

A copy of this document and all future updates can be found on the YEG homepage.

21 Revision History

Revision Level	Comments	Date
N	This document (EA-PU-xx-P-100-M-01) replaces together with the Supplier Logistics Manual (EA-SC-xx-M-001) the Supplier Quality and Logistics Manual (EA-PU-xx-M-20) Sections transferred to Logistics Manual: 9 – 14 Section deleted: 5.7 Non-Disclosure Agreement Additional sections: 5.6 Evidence of SOC-conformity, 7 Annual Product Verification Main updates in the sections: 4.1 Quality / Environmental / Health & Safety Management System 4.2 Environmental Product Compliance 5.1 YAZAKI Designed Products 5.2 Samples 5.6 Evidence of SOC-conformity 6.2 Change Notification across the Supply Chain 6.3 Process Steps 7 Annual Product Verification 14 Product Traceability 16.1 Zero Defects Philosophy	23/JUL/2020
1	Minor update only: 4.2: Update of Yazaki IMDS Company ID: **223417** (prev. 2335).	05/Feb/2021