

HJS

***Quality assurance, Sustainability &
Environmental Protection Agreement***

In The Supply Chain

Introduction



This agreement is the contractual definition of the technical and organizational conditions and processes between HJS Emission Technology GmbH & Co. KG and the supplier.

The company HJS commits itself and its suppliers to achieve the target to deliver products and services

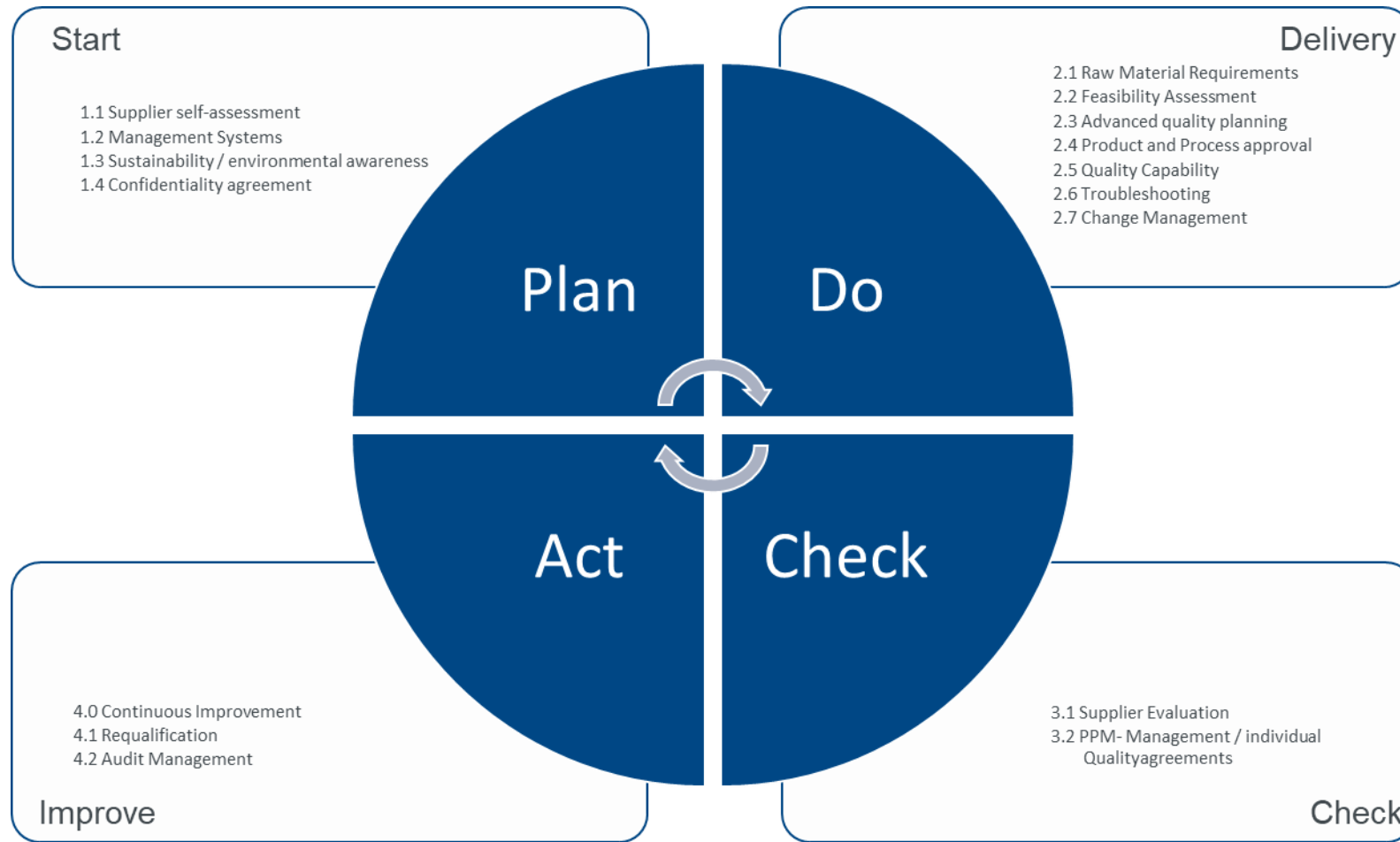
- ✓ Without Failure
- ✓ At the right time
- ✓ In the right amount
- ✓ Sustainable
- ✓ Environmentally aware

.... and to continuously improve in this every day...

***Because you want to do
business with us and we want
to do business with our
customers also for the next
generations...***

The HJS Purchase Process

The HJS purchase process basically consists of 4 elements:



1.1 Supplier self-assessment

In order to ensure that the supply relationship starts as smoothly as possible, it is important to have all the information clearly available.

For this purpose we will provide you with the following documents:

- HJS general terms and conditions of purchase
- C5-FB-04 - Supplier self-assessment
- C5-TS-02 - Quality, sustainability and environmental guidelines
- C4-TS-04 - Packaging regulations HJS
- HJS Confidentiality Agreement

These are fundamental for a supply relationship and must be checked/completed and confirmed

All information provided in the supplier-self-assessment is binding. They will be evaluated by a team from the environment, quality and purchasing departments at HJS and finally signed by both parties (HJS/Supplier).

Any change in the information must be reported to HJS immediately after it becomes known.

The supplier self-assessment signed by both parties is the basic approval for establishing a supply relationship.

HJS Emission Technology		Lieferantenselbstauskunft / Supplier Self-Audit		HJS Formblatt C5-FB-04 Ausgabe: 15-12-2021	
Firmendaten / Company Data					
Firmenname Company Name					
Straße Street					
Postleitzahl und Ort Post code and Location / C		Land Country			
Telefonnummer Phone-No.		Faxnummer Fax-No			
Internet (URL)		e-Mail			
	Name	Phone	Fax	e-Mail	
Geschäftsleitung Managing Director					
Technische Leitung Technical Manager					
Produktionsleiter Production Manager					
Vertriebsleiter Sales Manager					
QM-Leitung QM-Manager					
Beauftragter für Produktqualität & Konformität Product Safety & Conformity					
UM-Leitung/beauftragter UM-Manager					
Bitte geben Sie die Fertigungsverfahren Ihrer zu liefernden Produkte oder zu liefernden Dienstleistungen an. Please name the production processes of your products or supplied service.					
Entwicklungsschwerpunkte Main developments					
Rechtsform Legal form		Eigentumsverhältnisse Owner and Owners interest			
Konzernzugehörigkeit Part of a conglomerate / group		Eigenkapitalquote Equity ratio			
Investitionen der letzten 3 Jahre Capital expenditure last 3 years		Fremdkapitalquote Foreign capital ratio			
Anzahl der Mitarbeiter Number of employees		Vorjahres-Umsatz Last year's turnover [Euro]			
• in der Produktion • within production		Gesamtumsatz der letzten 3 Jahre Total-Turnover of the previous 3			
• im Qualitätsbereich • within Quality Department		Anteil HJS am Umsatz [%] share of HJS [%]			
Verfügen Sie über eine Betriebs- und Umwelt- Zertifizierung (z.B. ISO 9001, ISO 14001, ISO 26001, etc.)					

1.2 Managementsystems

The supplier commits to develop, introduce and maintain at least one quality management system in accordance with ISO 9001 towards HJS.

Cause our products are used in different industries with different purposes, additional management systems are necessary depending on the industry and area of application of the products.

Evidence of the respective management systems must be attached to the supplier self-assessment C3-FB-04 as part of the supplier evaluation process. When a certificate expires, the currently valid certificate must be sent to HJS without request.

Any change in the management system that affects the certification must be reported to HJS immediately after it becomes known.

- This means e.g. when changing:
- company name
- name/address of a production site,
- Loss of certificate / levy
- Scope
- Relocations
- Etc...

The supplier ensures that its sub-suppliers also meet the above requirements. As proof, the supplier is able to present the valid certificate of an accredited certification company (as shown).



Each certificate must contain the seal of a recognized member of the International Accreditation Forum Multilateral Recognition Arrangement!

Sustainability And Environmental Protection

1.3 Compliance with legal requirements / other guidelines

When delivering the goods and providing services, the supplier must observe all applicable regulations, in particular with regard to occupational health and safety, working conditions and environmental protection, as well as all applicable laws and regulations of the country concerned and ensure that all of its employees and subcontractors or agents comply with these rules, laws and regulations.

- In order to preserve our environment for future generations, we recommend the introduction and implementation of environmental management according to ISO 14001 and/or EMAS or ISO 50001
- We recommend carrying out life cycle assessments based on ISO 14040 ff to determine and improve the overall environmental profile
- The supplier assures for his company that the products to be delivered are manufactured or processed without exploitative child labor within the meaning of ILO Convention No. 182 & 138 and that this is also required of his suppliers.

https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---normes/documents/normativeinstrument/wcms_c182_de.htm

- The supplier will not employ anyone against their will. Employees have the right to terminate their employment within a reasonable period of time. The requirements of the ILO Convention No. 29 & 105 must be observed and passed on to his suppliers.

https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---normes/documents/normativeinstrument/wcms_319064.pdf

- The supplier undertakes that salaries and benefits comply with national and local legislation and the regulations or collective agreements concerning minimum wages. Except in the case of restrictions or deductions authorized by the legislation, the regulations or collective agreements, salaries are paid directly to the workers. In accordance to ILO convention 100.

https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C100



Principles of fair competition / Anti-corruption

1.4 Principles of fair competition / Anti-corruption

HJS rejects corruption and bribery. In dealings with business partners and government institutions, the interests of the company and the private interests of employees on both sides are strictly separated. Decisions are made free of extraneous considerations and personal interests. The applicable law on corruption must be observed.

Among other things, the following must be observed:

The granting of personal benefits by HJS and its employees to national or foreign public officials (such as civil servants or employees in public service) with the aim of obtaining advantages for the company or themselves or third parties is not permitted.

Monetary personal benefits in return for unfair preferability in business dealings may not be offered, promised, granted or approved. Likewise, personal advantages in return for unfair preferability in business dealings may neither be demanded nor accepted in dealings with business partners. Management and employees may not offer, promise, demand, grant or accept gifts, payments, invitations or services in business dealings that are granted with the intention of unfairly influencing a business relationship or where there is a risk of jeopardizing the professional independence of the business partner. This is generally not the case with gifts and invitations that are within the scope of customary business hospitality, custom and courtesy.

Sustainability And Environmental Protection

2.1 Raw Material Requirements

If a delivery contains chemical substances, mixtures and/or products that are subject to the following European legal regulations:

RoHs 2011/65/EU
Reach 1907/2006
Conflict Minerals 2017/821

The supplier must comply to this regulations with all obligations resulting from the corresponding and any supplements. The supplier also commits to impose these obligations on any subcontractors. If the marketing of a delivery item is restricted and/or discontinued due to one of the above-mentioned regulations, the supplier shall inform the customer of this in writing at least six weeks before the impediment, restriction and/or discontinuation takes effect. The supplier is liable for any breach of the above obligations.

If a supplier does not come from the european unit, a corresponding letter of explanation must be prepared. This letter and further information can be found at our homepage in the download area


<https://www.hjs.com/en/supplierinformation/>

If required in the order, a corresponding entry must be made in the IMDS system:

<https://www.mdsystem.com>



Think about tomorrow.



Supplier confirmation declaration

- EU Regulation 1907/2006/EC Annex XVII Compliance Non EU supplier -

Company Name	
Street	
Postal code and City	
Country	

1. We commit ourselves to communicate to HJS Emission Technology GmbH & Co. KG if one of the articles supplied by us contains substances for which Annex XVII defines a restriction.

2. We guarantee that no substances for which Annex XVII contains a restriction will be used in one of your products unless it complies with the conditions of that restriction.

3. We guarantee that all delivered products comply with the substance restrictions regulated in the current version of Annex XVII REACH.

4. The requirements mentioned in the "Annex XVII Compliance Non EU supplier" are legally binding and part of our standard business terms.

date

address

contact person

responsible for REACH issues



Feasibility

2.2 Feasibility assessment of product/service specifications.

In addition to the standards listed, the HJS order documents are binding,

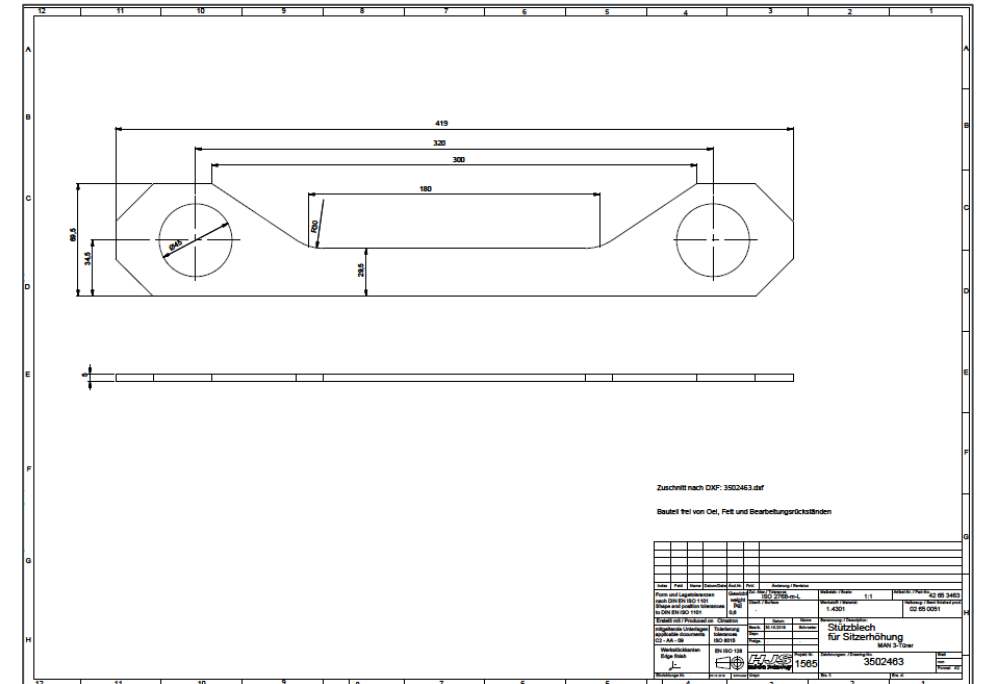
e.g.:

- Drawings
- DIN standards / HJS standards,
- Technical terms of delivery, data sheets, etc.
- Agreed test instructions and test equipment
- Additional order information, e.g. B. Packing instructions
- Special legal regulations
- Special regulations for environmental protection and recycling

If anything is unclear / or missing information, these have to be requested...

All specifications provided must be subjected to a feasibility assessment before the offer is made.

By sending an offer to HJS, the supplier confirms that the product can be manufactured / the service can be provided for the stated cost.



Advanced Quality Planning

2.3 Methods / documentation of quality planning

To ensure the goal of "zero-defect quality" in all phases of the product life cycle, it is important to plan, control and document them appropriately.

The following methods/documentation are to be used for this in order to achieve/ensure consistent quality.

- Process flow diagram (definition of quality-related processes)
- Product/ process risk analyzes (definition of the appropriate scope of testing e.g. FMEA)
- Control plan (definition of the scope of testing)
- Inspection plan (specification/documentation of the results of the scope of inspection in production)
- Initial sampling (validation of the scope of testing + approval by HJS)
- Basic for the methods described in VDA Volume 4 should be used as guideline for this

Product- and Process-FMEA

Considering the use of its products at HJS and its customers, the supplier carries out preventive risk analyzes (e.g. FMEA) for all products delivered to HJS and the associated processes and updates these in the event of any deviations in product and/or process quality and changes corresponding.

Points assessed as critical have to be improved immediately by means of suitable corrections and preventive measures so that specification, properties and product safety as well as capable production can be guaranteed.

The scope of a risk assessment should always be appropriate. We recommend part families, standardization and digitization for these topics.

If you have any further questions about this, simply get in touch with our supplier management team. We can support or advice for the next steps with you.



Advanced Quality Planning

Quality for product integrated Software:

When developing and delivering automotive-specific, product-related software or products with integrated software, the supplier must implement and maintain a quality assurance process.

- In order to evaluate the software development process, the supplier must use software development evaluation methods.
- The assessment must include a prioritization of risks and potential impacts for HJS and the end customer.
- The results of software development skills self-assessments must be documented and retained

Initial Sampling

2.4 Product and process release

For product release, the supplier must present initial samples to HJS before the start of series delivery, which correspond to all contractually agreed specifications and properties with regard to:

- Measurements / dimensions
- Material / Substances
- Function

The initial samples and all individual parts and materials used in their production must be manufactured entirely using series equipment and under series conditions.

The PPF process can correspond to both the current VDA Volume 2 and the current AIAG – PPAP process.

The type and scope of the required documentation can be found in the respective order.

HJS reserves the right to charge the supplier for the costs incurred in the event of repeated rejection of initial sample test reports.

HJS		Cover sheet PPA report		HJS Formblatt S3-FB-107	
HJS Emission Technology GmbH & Co. KG				Ausgabe: 20.12.2021	
Organization		Reason for report creation			
		Report on production process and product approval (PPA)			
		Report on other samples			
		Regualification			
		Trigger of PPA procedure			
Customer (recipient)		Sample presentation			
		New part			
		Changes to product			
		Changes to production process			
		Change to supply chain			
		Re-use > 12 months standstill			
		Updated PPA documentation			
Information about the organization		Information about samples		Information about the customer	
Report number		Delivery note number		Customer	
Report version		Delivery quantity		Order Number/PPA sam	
Delivery location		Batch number		Unloading point	
Production location		Sample weight (kg)		Part Number	
Part Number		Hardware version		Name	
Name		Diagnosis status		Version / Date	
Drawing number		Software version		Hardware approval	
Version / Date		Identification/DUNS		Software approval	
Confirmation of organization					
It is hereby confirmed that the PPA procedure was carried out in accordance with the agreements made in the PPA agreement and the specifications of VDA Volume 2.					
The IMDS record was created under the IMDS ID No.:					
Name		Remark			
Department					
Telephone					
E-mail/Fax					
Date		Signature			
Customer decision					
Customer-ready/Ready for series production		Not customer-ready / Not ready for series production			
PPA procedure towards customer closed		New PPA procedure required			
Update of PPA documentation required					
Report number/version Customer					
Name		Remark			
Department					
Telephone					
E-mail/Fax					
Date		Signature			

2.5 Quality Capability

Quality Capability

The supplier ensures that the machines, tools, measuring and testing equipment used, as well as the processes in which they are used, are suitable for the manufacture of the products delivered to HJS, that all tolerances and properties are observed.

The supplier is fully responsible for the delivered quality, cause of this HJS limits the incoming goods inspection to externally visible transport and packaging damage as well as quantity and identity checks based on the delivery documents.

The characteristics for which proof of capability has to be provided have to be agreed between HJS and the supplier / marked on the drawing. Type and scope are described in the following Work instructions:

C2-AA-09 Description of the kinds of characteristics.

These are available on our website

<https://www.hjs.com/en/supplierinformation/>

In addition for handling of special characteristics, the VDA handbook special characteristics must be applied.

Traceability

The supplier must ensure the traceability of the products.

By labeling the products or alternatively taking other suitable measures, the supplier ensures that if a defect is detected, other potentially defective products can be identified immediately, at least one production batch of the parts can be blocked until follow-up measures have been agreed between the supplier and HJS.



The guideline VDA volume 1 is to be used to determine the retention period of the documentation.

2.5 Quality Capability

Special Characteristics

Special characteristics are characteristics that require increased carefulness and are not regulated by other processes. Special characteristics are divided into three categories and identified as follows:

- BM S:** The feature has an influence on the safety / safety-relevant consequences of the vehicle / machine.
- BM Z:** Approval relevant legal and official requirements at the time of placing on the market
- BM F:** The feature has a direct influence on the function of the vehicle / machine.

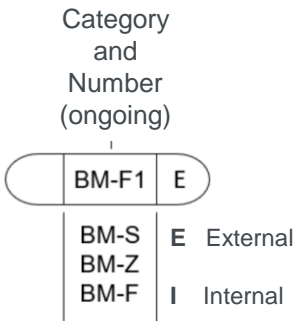
Increased care is understood to mean, for example:

- Design and assurance of the function or feature using appropriate design solutions (robust design).
- Identification of special features on all relevant documents e.g.:
 - Drawings
 - FMEA
 - Control plan
 - Inspection plan

Design and execution of manufacturing processes using appropriate process solutions

- Robust devices and processes
- Poka Yoke solutions
- Compliance with process capability indicators / cpk- analyses
- Other defect-detecting tests customized to the characteristic....

Marked on drawings is as follows:



2.6 Problem Solving

Complaints processing, 8D report

- For each complaint, we require a written notification of attention of the complaint within 2 days after receipt of the complaint report by email.
- The supplier must carefully investigate the rootcause for the products complained about (fault/cause analysis). He must immediately summarize the results and planned corrective measures, including the schedule for their implementation. Evidence of the effective implementation of the corrective measures must be provided to HJS.
- If a 8D report is requested, the supplier must respond with a meaningful report within 10 working days. If this is not possible, this must be coordinated with the person responsible in the quality management at HJS. Interim reports must be provided upon request. A comparable document from the supplier with the same content is also possible.
- Some template for the 8D – report can be found here:

<https://www.hjs.com/en/supplierinformation/>

HJS Form S3-FB-02 Edition: 10-08-2022	
Supplier Complaint Report / 8D-Report	
Supplier: Name: Phone: Fax: e-mail:	HJS Contact Person Name: Phone: Fax: e-mail:
HJS Complaint-No.: Date of issue:	
1. Data for the process Delivery note: Part no. HJS: Incorrect parts: Date of delivery: Drawing / Index: Decision: Delivered quantity: Part name HJS:	
Problem description HJS: Specification:	
Short result: Complaint accepted <input type="checkbox"/> Analysis still open <input type="checkbox"/> Complaint refused <input type="checkbox"/>	
1a Team	2a Problem description supplier
1b Head of team	2b Repetitive Defect? Yes <input type="checkbox"/> No <input type="checkbox"/>
3a Containment action (s)	3b % Effect
3c Implementation date	3d Responsible
Stock affected Yes: <input type="checkbox"/> No: <input type="checkbox"/>	Parts sorted <input type="checkbox"/>
Work in process affected Yes: <input type="checkbox"/> No: <input type="checkbox"/>	Parts sorted <input type="checkbox"/>
Delivered parts affected Yes: <input type="checkbox"/> No: <input type="checkbox"/>	
4a Root cause (s) analysis („ask 5 times why“)	4b % Involvement
4c Causative departm.	
5a Planned permanent corrective action (s)	5b Responsible
5c Target date	
6a Implemented permanent corrective action (s)	6b Verification
6c Implementation date	
7a Structural actions to prevent recurrence (s) Modification of: <input type="checkbox"/> Product-FMEA <input type="checkbox"/> Process-FMEA <input type="checkbox"/> Control Plan <input type="checkbox"/> Working- / Test Instruction:	7b Responsible
Are other products / processes affected? Yes: <input type="checkbox"/> No: <input type="checkbox"/>	7c Implementation date
If yes, which?	
Further actions?	
8a Closure	8b Close date
8c Reported by	
Date: S3-FB-02_2022-08-10_Supplier_Complaint_Report_8D-Report	
MIC Public	
Send report	
Page 1 of 1	

2.6 Problem Solving

Supplier escalation procedure

If quality or logistics problems occur repeatedly at suppliers, they are included in the HJS escalation procedure. The aim of the procedure is to implement suitable measures at the supplier so that the products and materials supplied again meet the requirements of HJS. Depending on the duration and severity of the problems, they are classified into one of three escalation levels.

Basically, each stage proceeds as follows:

- **Analysis** of the cause of the escalation and the problem.
- **Agreement** on an action plan to eliminate the causes of the escalation
- **Implementation** of the action plan.
- **Monitoring**/following up of the action plan.

Escalation level 1: Will be used for issues due to quality problems, target deviations, repeated complaints and delays in delivery. In the complaints process, the supplier should initiate an effective solution to the problem and document this in an 8D report.

Escalation level 2: In escalation level 2, the corrective measures are checked on site at the supplier for adequacy and effectiveness. This can be done, as part of quality and/or logistics audits. The results of the on-site analysis are documented in an action plan. The supplier is responsible for the implementation of the measures and must regularly report the relevant status to the responsible departments.

Escalation level 3: If the quality requirements in escalation level 2 are not met, the supplier is classified in escalation level 3. This means that the supplier is blocked for new inquiries and awards. At escalation level 3, it can also be decided to have the existing problems analyzed by an HJS team on site. The supplier must be willing to support all activities of the HJS employees. The supplier's management must ensure compliance with the agreed measures. This is monitored and documented through regular reviews. Escalation level 3 ends when the necessary evidence for the implementation of the agreed measures has been provided. If this is not successful, the supplier concerned will be repositioned in the portfolio of HJS purchasing as a non-approved supplier.


2.6 Problem Solving

Request for special release

- If there are quality defects in a product, we would like to solve these problems with you...
- This must be announced before delivery by informing HJS with the request for special release S3-FB-08.
- If this is released, it must be attached to each storage unit so that it is clearly visible upon delivery.
- The request for special release S3-FB-08 can be found here:

<https://www.hjs.com/en/supplierinformation/>

We can only support you if we know about deviations in advance....



Antrag auf Sonderfreigabe / Bauabweichung
REQUEST FOR SPECIAL RELEASE

HJS Formblatt
S3-FB-08
Ausgabe: 10-08-2022

Empfänger / RECIPIENT:
Name Kunde / NAME CUSTOMER:
Abteilung / DEPARTMENT:
Tel. Nr. / PHONE:
Fax:
E-Mail:

Absender / SENDER:
Lieferant / SUPPLIER:
Lieferanten-Nr. / SUPPLIER CODE:
Kontakt Person / CONTACT PERSON:
Abteilung / DEPARTMENT:

Tel. Nr. / PHONE:
Fax:
E-Mail:
Datum / DATE:

Hiermit beantragen wir für folgenden Artikel eine Sonderfreigabe / Bauabweichung :
WE ASK FOR A SPECIAL RELEASE / DEVIATION PERMIT FOR THE FOLLOWING COMPONENTS:

Artikel/Benennung / ARTICLE/DESCRIPTION
Artikel-Nr. Lieferant / ARTICLE NO. SUPPLIER
Artikel-Nr. Kunde / ARTICLE NO. CUSTOMER
Zeichnungs-Nr./Index / DRAWING NO.:
Bestell-Nr. / ORDER NO.
Menge abweichender Artikel / QUANTITY OF PARTS WITH DEVIATIONS

Fehlermerkmal / DEFECT, NON CONFORMITY

Soll / NOMINAL VALUE:

Ist / ACTUAL VALUE:

Eingeleitete Sofortmaßnahme / IMMEDIATE ACTIONS

Lieferdatum der fehlerhaften Teile (nach Freigabe):
NON-CONFORMING PARTS WILL BE DELIVERED ON (AFTER RELEASE):

Menge:
QUANTITY

Teile sind gekennzeichnet mit :
PARTS ARE MARKED WITH:

Datum/Unterschrift / DATE/SIGNATURE

Freigabe HJS / Acceptance HJS:

Ja/Yes
☐

Nein/No
☐

Entwicklung/ Konstruktion: Development / Design:
Datum, Unterschrift / Date, signature

Anmerkungen / Remarks

Ja/Yes
☐

Nein/No
☐

Prozessentwicklung / Process Engineering:
Datum, Unterschrift / Date, signature

Anmerkungen / Remarks

Ja/Yes
☐

Nein/No
☐

Qualitätsmanagement / Qualitymanagement:
Datum, Unterschrift / Date, signature

Anmerkungen / Remarks

Anmerkung / COMMENT:

Antwort an Lieferant erledigt durch/am / Replied to supplier by/on :

Dat: S3-FB-08_2022-08-10_Antrag auf Sonderfreigabe.xls

MSC
Öffentlich Public

Antrag senden | Send request

1/1



2.7 Change management

The supplier will notify HJS of any technical changes intended by the supplier for the delivery of released contractual items as early as possible, but no later than 6 months before the introduction of the change.

The required documentation, e.g. scope of EMPB, must be coordinated with HJS at an early stage.

The supplier informs HJS before implementing all planned changes to products and processes, both before and after SOP (Start of Production) e.g.:

- Design, specification or material changes
- Use of new, modified or replacement tools,
- Changed manufacturing methods or production processes,
- Production relocation within a production site or to other sites,
- Changes made by suppliers to products, parts, materials, services or software,
- Restart of production facilities after a shutdown of more than 12 months.

The obligation to provide information also applies if one of the points applies to a subcontractor.

A clear date for the first delivery of the changed status is to be announced. The delivery must be clearly marked on each storage unit.

If this procedure is not followed, HJS reserves the right to charge the supplier for the costs incurred for HJS.

3.1 HJS supplier evaluation process

HJS informs its suppliers at least once a year about the status of the supply relationship!


The assessment includes the factors:

- ✓ Management System
- ✓ Delivered Quality
- ✓ Delivery performance
- ✓ Quantity reliability
- ✓ Contracts / Supplier Conditions
- ✓ Compliance
- ✓ Environment / Sustainability
- ✓ Order processing
- ✓ Technical advice / support

The result is transmitted in this detailed form

The overall result is presented as a risk classification as follows:

- A- Supplier: The delivery performance meets the requirements. Please consider this rating as a thank you for the good cooperation!
- B- Supplier: The delivery performance is not sufficient. Measures must be taken to counteract the involved factors. These have to be agreed with the responsible specialist buyer and the supplier management of HJS.
- C- Supplier: The C classification can result in a blocking for subsequent projects as well as a complete cut of the delivery relationship!



Supplier Evaluation

HJS Formblatt
C5-FB-01
 Ausgabe: 13.10.2022

Supplier No.: 185009

Supplier: Beispiel GmbH

Evaluated on / by: Jun 23

Assessment period: Jan. 22 bis Dez 22

Evaluation criteria:	Score achieved	%
Management System*	80	24%
Quality	100	24%
Delivery performance	85	20%
Quantity reliability	92	
Contracts / supplier conditions	100	12%
Compliance	100	5%
Environment / Sustainability	100	5%
Order processing	100	5%
Technical advice / support	100	5%

Result: A

Datei: C5-FB-01_2023_03_13 Lieferantenbewertung 2023.xlsm

MSC
 Vertraulich

Seite 1 von 2

3.2 PPM - Management / Individual Quality Assurance Agreements

In order to operationally implement the strategic goal of "zero defect quality", the delivery quality at HJS is also recorded in PPM.

(ppm = parts per million / maximum number of failed parts per delivered million parts).

This parameter is included in the supplier evaluation. HJS and the supplier agree measurable targets for delivery quality (ppm target agreements), particularly in the case of increased risk, e.g. a poor supplier rating or a large number of repetitive complaints. The target value is defined in ppm.

$$\text{ppm} = \frac{\text{Value Not OK Parts}}{\text{Value Delivered Parts}} \times 10^6$$

The ppm results are recorded at HJS, communicated to the Check supplier and included in the supplier evaluation. At the same time, they form the basis for targeted measures to continuously improve quality. Exceeding the key figure is handled in the same way as in chapter "Escalation procedure for suppliers".

- The agreement of ppm values does not imply a quality level accepted by HJS. All parts recognized as defective will not be accepted as a matter of principle and will be at the supplier's expense.

4.0 Continuous Improvement

4. Continuous Improvement

The supplier has introduced a structured process of continuous improvement for all products, processes, operational procedures and services in his company and verifiably applies it to the products delivered to HJS and all activities related to the business relationship.

This must contain:

4.1 Regularly requalification process

All products must be subjected to a full dimensional and functional test at appropriate intervals / in accordance with the production control plans, taking into account the applicable customer specifications for material, function and packaging. The results must be available for customer reviews. This must be documented in the specific production control plans. A parts family formation / group formation is permitted here! If we have to pass on separate demands from our customers to you, these can be found in the EMPB order. If the test fails or production is suspended for 12 months, a new internal PPF process must be carried out.

4.2 Regularly process and product audits

The supplier regularly carries out internal audits (e.g. VDA volume 6 parts 3 and 5) planned in advance for all products delivered to HJS and the processes associated with their development and manufacture. In the event of any deviations, the supplier immediately initiates all necessary corrective measures and ensures their effective implementation over the long term.

In addition, HJS is entitled to carry out a process, product or system audit at any time after prior notification to check whether the supplier's quality assurance measures meet HJS requirements. Should it be necessary, this can be done under the supervision of our customers.

If quality problems occur that are caused by services and/or deliveries by the supplier's subcontractors, the supplier must, at HJS' request, carry out an audit with the participation of HJS at the subcontractor side and disclose the results to HJS.

Applicable Documents / Further Literature

Details on the standards and methods of quality, sustainability and environmental management listed in the guideline can be found in the following literature in the latest edition. On request, HJS supplier management is willing to support you in the interpretation and introduction of methods and standard requirements.

Further Literature:

- IATF 16949 Quality management system standard of the automotive industry
- DIN EN ISO 9001 Qualitätsmanagementsystem
- VDA Band 1 Guide to the documentation and archiving of quality requirements and quality records
- VDA Band 2 Product and process release
- VDA Band 4 Quality assurance before series production
- VDA Band 6.3 Processaudit
- VDA Band 6.5 Productaudit

Internal Documents:

- S3-FB-08 Request for special release
- S3-FB-08 Customer Complaint Report / 8D – Report
- C2-AA-09 Description of feature types.
- C2-AA-72 Special features in the development process

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If you have any questions or comments, please do not hesitate to contact our supplier management team. We would also support you in implementing this guideline:

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