



Supplier Quality Manual

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Your needs. Our drive.

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1. Objective

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

Purchasing – AD Plastik

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

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

2. Scope

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

3. Zero Defect Policy

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

To enable us to achieve this, Objectives are:

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

Supplier delivery performance

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

Delivery performance calculation is based on the following two segments:

- Date of delivery per each reference in comparison with the requested delivery date
- Delivered Quantity per each reference in comparison with the requested quantity
- $DP = \text{Nb of lines delivered in the wrong quantity or at the wrong time} / \text{Total number of ordered line} \times 100$
- AD Plastik team will make a monthly evaluation of Suppliers based on Logistics Performance according to AD Plastik's internal Procedure.

3.1. Supplier Quality Management System Requirements

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

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

In addition, AD Plastik expects suppliers to have a valid version of ISO 14001 (Environmental Management Standard), ISO 45001 (Occupational health and safety management system), ISO 50001 (Energy management system and ISO/IEC 27001 (Information security management) and if the Supplier is not certified by IATF 16949 or ISO 9001 and ISO 14001, ISO 45001, ISO/IEC 27001 it is mandatory to answer the self-assessment questionnaire. The questionnaire contains the essential requirements of ISO standards, as well as the main questions on the Corporate Social Responsibility (CSR) policy of the Supplier.

In the case of a component or a product electric or/and electronic with an impact on the functional safety of the vehicle, the Product Specification Sheet will include the Safety requirements Formal request to comply with the ISO 26262.

3.1.1. MMOG/LE requirement

Suppliers of material and logistics providers are obliged to perform MMOG/LE assessment (basic) once per year. MMOG/LE questionnaire must be completed on the MMOG.np web platform. (<https://www.odette.org/mmog>). MMOG/LE assessment is a pre-condition requirement for new suppliers before entering the AD Plastik supplier base and it is one of the criteria used for Supplier evaluation.

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

3.2. Control of the quality and industrial performance

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

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

3.3. Material Supplier assessment

3.3.1. Criteria for Supplier performance evaluation

Evaluation of Supplier performance in Serial Life is an important part of the Management activity. It allows us to objectively measure the level of Quality, Service and reactivity that our Suppliers are providing. We enable our purchasing, supplier quality, quality and logistics teams to define the proper strategy to work with Suppliers in a partnership mode.

The main criteria to evaluate Supplier Performance are:

- Number of complaints during the assessment
- Responsiveness during the assessment period
- Logistic complaints/ Delivery accuracy Number of emergency deliveries
- Internal production line interruption
- Customer line interruption

AD Plastik maintains a scorecard of the quality and delivery performance for supply partner. The measurements on this scorecard are reviewed to track supply partner performance and identify negative trends. This information is available for supply partner review in case of negative trends (grade B/C) and sent by Supplier quality department with requested activities.

3.3.2. Grade and rating matrix -- The total maximum number of points is 100.

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

The rating B1/B2 requires the development of an action plan with the supplier if the supplier has achieved that rating 2 months in a row.

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

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

3.3.3. Supplier audit

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

PURPOSE OF AUDIT	TYPE OF AUDIT
new supplier	process audit
repetitive complaints	system audit
supplier process modification	supplier self-assessment
escalation	

AD Plastik reserves the right to perform process audits whenever it is deemed necessary. Supply partners will be given reasonable advance notice of a pending audit.

3.3.4. Escalation procedure

When dealing with non-compliant supplier performance, we follow the AD Plastik escalation model, which consists of three levels:

Level 1: The supplier might cause a potential problem by delaying deliveries or not solving claims in a timely manner. This could result in the stoppage of AD Plastik production line, and the supplier may need to be changed.

Level 2: If there is a serious issue in the supplier's production process, repeated problems, ineffective countermeasures, lack of communication, or failure to secure production, the supplier will be escalated to this level.

Level 3: At this critical level, the supplier is unable to protect AD Plastik and the OEM customer. Failures in problem-solving, constant repeating of issues, and failure to ensure deliveries for the AD Plastik line stopped would lead to this level.

The supplier is notified in writing of the change in escalation level in each case.

The AD Plastik procedure outlines a clear guide for analysing, taking action, and monitoring suppliers involved in this process. It includes a three-stage escalation process with defined criteria for entry and exit, as well as identified actions to be completed at each stage. Suppliers failing to meet the criteria for a stage by the target completion date will be escalated to the next level.

4. Customer-Specific Mandatory Requirements

4.1. Corporate Social Responsibility

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

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

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

Suppliers must not discriminate against any worker based on race, colour, age, gender, sexual orientation, ethnicity, disability, religion, political affiliation, union membership, national origin, social origin, or marital status in hiring and employment practices such as applications for employment, promotions, rewards, access to training, job assignments, wages, benefits, discipline, termination and retirement

Suppliers must respect the right of workers to associate freely, form and join workers organization of their own choice, seek representation, and to bargain collectively, as permitted by and in accordance with the applicable laws and regulations.

Suppliers shall ensure that the health and safety (H&S) risks to their employees, contractors which arise from its operations are reduced as far as is reasonably practicable. It is required that our suppliers carry out their operations in a safe manner in line with relevant regulation, approved codes of practice and industry best practice and in a way that does not expose any person to the risk of injury or ill health.

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

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

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

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

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

4.1.1. Regulated Substances

Suppliers must adhere to the obligations established by the latest regulations regarding Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH) and any subsequent amendments. REACH requires the industry to assess and manage the risks associated with chemicals and to provide appropriate safety information to their users. Additionally, the European Union can implement further measures concerning highly dangerous substances, when there is a need for complementary action at the EU level.

4.1.2. Conflict Minerals

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

4.1.3. International Material Data System (IMDS) Reporting, Verification & Safety Data Sheet

To ensure compliance with the various legal and customer requirements, AD Plastik requires its suppliers to report material and substance information for all types of purchased materials, components or items supplied to AD Plastik. Reported data must be in line with the IMDS Recommendations and comply with the rules and content of the GADSL (www.gadsl.org).

All substances and/or materials shall be reported to AD Plastik. using the International Material Data System (IMDS) (www.mdsystem.com) for AD Plastik production sites:

AD Plastik, Croatia, site Solin: 9370; site Zagreb: 12299

ADP Tisza, Hungary: 31858

Suppliers shall submit the required IMDS to AD Plastik immediately upon award of new business. The supplier IMDS information shall be subject to AD Plastik review and approval. Once approved by AD Plastik, the supplier of the material or component shall indicate such approval in the PPAP documentation supplied to AD Plastik. Without IMDS, there is no possibility to sign PSW and finish PPAP process. The supplier shall also implement procedures or controls necessary to prevent the introduction of prohibited and restricted substances in materials as specified herein into the final product and/or component supplied to AD Plastik.

Certificates of conformance from raw material suppliers may be used to guarantee the absence of prohibited materials as long as an analysis is made of the entire manufacturing process to ensure that all possible areas of material introduction are included. However, it is highly recommended that final product be subject to a chemical analysis to verify the absence of any prohibited materials.

Any change or update of the legal requirements must prompt a re-check and subsequent update of the data provided to AD Plastik (IMDS submission, SDS, compliance declaration, etc.).

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

4.2. Sub-Supplier Management System

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

- Documented evidence that the Sub-Suppliers quality management system is monitored
- Follow up the quality of the purchased parts using suitable measures (including PPM quality target setting, special key characteristics follow-up, Control plan, PPAP, and Initial Samples submission, and regular control of capacity...).
- AD Plastik reserves the right to review the process at the Sub-Supplier on its own initiative in case of a major problem or risk.

4.2.1. Special case of Directed Purchase components - tripartite agreements

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

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

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

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

- ADP EDIFACT DELFOR Guideline
- ADP EDIFACT DESADV Guideline

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

The message DELFOR is used to:

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

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

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

EDI material order can be regular or additional.

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

The forecast and fix orders are considered accepted and executable by Supplier unless they are claimed to the purchasing planner within max two (2) working days after having received them.

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

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

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

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

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

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

AD Plastik Suppliers are responsible to follow the supportability of their Sub-suppliers and inform immediately AD Plastik if any problem occurs, which could affect the deliveries to AD Plastik. In the case of high risk which could have an impact

on AD Plastik production and delivery plan, Supplier is responsible to prepare an action plan together with the Sub-supplier in order to be able to meet AD Plastik needs and present it to AD Plastik.

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

The minimum order quantity is one packaging unit.

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

WEB EDI provider for AD Plastik is Tenor. EDI DELFOR messages issued by AD Plastik will be uploaded on the web portal and can be downloaded in excel or imported to Supplier production system.

Delivery Note can be created directly from received DELFOR on the portal and data from DELFOR will be automatically populated into Delivery Note.

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

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

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

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

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

The ASN must be sent immediately after the departure of the truck. ASN accuracy indicator has been set up with each Supplier.

The report includes two approaches to accuracy control: the time accuracy of ASN and the content accuracy of ASN. The time accuracy of the ASN is to be monitored based on the ASN receipt date/time and truck departure date/time indicated on ASN. The content accuracy of ASN is to be monitored based on two checkpoints: ASN format (in accordance with EDIFACT DESADV D96A standard) and ASN data (mandatory data are identification codes of each partner, material identification, despatched quantity and packaging details, ADP order number and despatch/arrival date which depend on agreed parity. The goal is set at 100% accuracy.

4.4. Packaging & Labeling

Suppliers are expected to package components according to packaging instructions that are agreed to and approved between AD Plastik and the supply partner before shipment to AD Plastik. Supply partners are required

to provide appropriate storage and protection for AD Plastik packaging while under their control. Supplier needs to assure the packaging is sufficiently robust to withstand shipment by land, air, sea, etc. and arrive on time without

damage, to include all elements of the packaging such as external containers, racks, supports, internal separators, dunnage, pallets, wrapping, returnable's,

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

It is the responsibility of the Supplier to ensure that the material is delivered to AD Plastik in accordance with the approved packaging specification and labeling standards. The following requirements need to be fulfilled through the development and validation process:

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

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

AD Plastik preferred standard for Labelling is ETI9.

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

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

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

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

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

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

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

4.5. Delivery & Transport

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

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

For Supplier having contract with AD Plastik for a consignment warehouse, all details are defined in a special commercial contract including logistics protocol.

4.6. Marking / Traceability

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

- The material type mark must be in accordance with AD Plastik requirements.
- The marking must be in accordance with the requirement to define traceability.

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

4.7. Quality Basics

Supplier must ensure that the supply items match the contractually guaranteed characteristics. Supplier must comply in particular with the specific requirements of AD Plastik customers and the applicable national and international laws as well as official regulations. Supplier has to document this with the relevant certificates of recognised certification bodies and updated documents. AD Plastik has identified the following quality Basics as pre-requisite of Supplier Excellence:

- 1st OK part
- Poka Yoke
- Red Bins
- Self-Inspection
- Rework under control
- Final Inspection
- QRQC (Quick Reaction Quality Control)/8D/problem-solving methodology

Supplier is responsible for complying with Quality Basics in order to achieve defined targets, based on automotive quality tools:

- Advanced Product Quality Planning and Control Plan – APQP –
- Production Part Approval Process – PPAP
- Potential Failure Mode and Effects Analysis – FMEA - Measurements Systems Analysis – MSA
- Statistical Process Control – SPC
- All applicable Continuous Quality Improvement CQI

4.8. Change Request via Purchasing Change Request (PCR)

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

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

4.9. Sub-Supplier Change

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

4.10. Supplier Self-Evaluation

Supplier self-evaluation can be requested by Ad Plastik according to different issues.

The Supplier must implement a progress plan according to the results of the self-assessment.

The Supplier shall deliver a self-assessment and progress plan to Ad Plastik.

4.11. Emergency plans

Suppliers shall develop a contingency plan for potential catastrophes which may disrupt product flow to

Ad Plastik such as reallocation, breakage of tools and equipment, late or partial deliveries, cyber-attack, rupture in EDI communication, damaged goods, non-conformities, and advise immediately its contact in the event of an actual disaster or any others disruption of production and deliveries... such as strikes, accidents, hurricanes, fire, earthquakes etc.).

In an actual catastrophe, Suppliers shall provide Ad Plastik access to Adplastik /OEM tools and/or their replacements.

Supplier is required to develop, define, and implement emergency procedures (Contingency plan, Recovery plan) to ensure smooth supplies to AD Plastik even in the event of such disturbances. Supplier must promptly notify AD Plastik.

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

- Quality
- Logistics
- Purchasing

- Plant manager

4.12. Production/product conformity

At AD Plastik request, Supplier must provide the following product compliance elements:

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

4.13. Complaints

The supplier undertakes to deliver the products only as described in the specification agreed. In case of any deviation of the delivered product with regard to documented requirements (e.g., timing, quantity, marking, specified criteria, etc.) AD Plastik will raise a complaint against the Supplier. Complaints should be solved using appropriate methods. All additional costs at AD Plastik related to a nonconforming delivery will be compiled case by case and sent to the Supplier for compensation.

Upon receiving concern for a quality, launch or delivery issue or non-conformance, supplier is obliged to conduct an analysis of the damage parts and provide the results as 4D- and/or 8D-Report. including quality tools Ishikawa, 3x5Why...

Depending on the type of non-conformance and material status, supply partner parts may be sorted, reworked or adjusted. Supply partner approval is requested before any rework or adjustment will be performed, except in circumstances where support of production need requires immediate action. Supply partners should be prepared to take any or all of the following actions after non-conforming material are identified at AD Plastik facility:

- Expedited replacement of non-conforming material
- Provide resources to perform required sorting or rework
- Provide third party sorting resources
- Authorize AD Plastik to begin third party activities on the supply partner's behalf
- Provide instructions and acceptance criteria required to support inspection, sorting, or rework

AD Plastik has agreements with third party sorting companies who can provide sorting activities on behalf of the supply partner. All costs associated with these third-party activities are the supply partner's responsibility.

Supply partners have the option to use this service or to contract a third party to do sorting or rework on their behalf. Third parties selected by the supply partner must be approved by AD Plastik prior to starting any sorting or rework at an ADP group facility. If not used by ADP group under deviation, after rework or after repair, non-conforming parts or material will be "returned to supply partner" or scrapped at AD Plastik group based on supply partner's direction.

When alert or claim is going to be critical in matter to risk AD Plastik production or OEM production, AD Plastik Escalation procedure is mandatory to be applied.

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

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

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

If not otherwise agreed and if the Supplier fails to respond within AD Plastik's defined time frame, Supplier will be deemed to accept the claim, and all costs will be the sole responsibility of the Supplier

4.13.2. Warranty Claims

Responding to field warranty claims remains a top priority at AD Plastik. When Field Failures are determined to be the result of a supply partner's product, supply partners will receive a notification letter. It is expected that supply partners fully participate in the investigation, root cause analysis and corrective action when field failures

are identified. Supply partners should have an established process for the handling, analysis, investigation, reporting and corrective action of customer field returns. If the non-conformance is generated by a supply partner, Adplastik may call the responsible supply partner for immediate correction or replacement of products.

4.13.3. Cost Recovery Policy

Financial aspect of claiming process - relevant and confirmed costs

In case of issue impacting customer chain, Supplier shall bear liability for all direct and indirect financial consequences (including costs resulting from a claim detected by the end customer) as well as the consequences of the defective product delivered.

Consequences connected to such issues may refer to several type of charges, among others, such as quality/logistics administration fee, repeated claims, warranty claims, customer claim cost, sorting costs, weekend, night and overtime work and sorting, quarantine area, storage position in WH cost etc...

Suppliers are liable for all costs incurred by AD Plastik when the cause is the Supplier responsibility.

5. Product realization

5.1. Advanced Product Quality Planning (APQP process)

AD Plastik requires supply partners to use Advanced Product Quality Planning (APQP) as the tool to support process development, integration and validation. The AIAG publication "Advanced Product Quality Planning (APQP) and Control Plan" should be used as a reference in developing these plans. Supply partner plans should include AD Plastik specific requirements.

6. Continuous Improvement

Continuous improvement in the quality of products and/or manufacturing processes are key to be a supplier to AD Plastik. The supplier should maintain documented evidence of continuous improvement for review upon request by AD Plastik representative. All suppliers shall show a proactive approach that supports driving the reduction of process variation and waste within their business, utilizing continuous improvement tools and techniques.

7. Audit system

There are a significant number of audit tools that AD Plastik uses in its Supplier Development Process. This starts with the assessment of a potential new supplier (NSA) who would like to establish business relationship with AD Plastik.

All nonconformances are to be documented in an open issue list and an action plan must be created for improvement with define deadline. Audits schedule plan is influenced also by score of supplier evaluation (reoccur concerns, lot of concerns, late answer at concerns and etc.).

8. Revision history

Revision date	Notice
15/10/2019	Created
16/11/2020	2 nd edition
02/05/2022	3 rd edition
11/10/2022	4 th edition
10/01/2025	5 th edition

Chapter	Change summary
Introduction	Update of introduction
7. Audits	New chapter added
8. Revision history	New chapter added
3.1 & 4.3	MMOG/EDI requirements updated; new paragraphs added
3.1 /3.3/ 4/4.1.	Supplier audits, Assessment, Escalation procedure Corporate social Responsibility update