

Daimler AG

Customer Specific Requirements for Suppliers (Tier_n)

Global Supplier Manual - Appendix F

extracted from Daimler AG CSR for IATF 16949;2016 - September 2017

<https://www.iatfglobaloversight.org/oem-requirements/customer-specific-requirements/>

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1 Scope of this document

The scope of this document is to ensure compliance to customer requirement by sub-suppliers of SMP Automotive who are supplying for any Daimler AG (DAG) project. This document is listing requirements for these suppliers in addition to standard IATF16949 requirements and in addition to standard SMP requirements. In case of difference between standard SMP requirement and Daimler requirement, the strongest shall be binding.

2 Responsibility

Suppliers who are supplier for SMP of a component for a Daimler AG product shall meet all requirements listed in this document during the whole project lifetime. This includes but not limited to:

- Regularly check for updates of this document on www.smp-automotive.com
- Ensure availability and awareness of related Daimler AG standards and requirements mentioned in this document
- Ensure requirements are met in their supply chain

3 Customer – Specific Requirements (IATF 16949 section 4.3.2)

Supplier shall be aware, consider and meet DAG “**MBST 2020**” requirements, all sections which are interpretable for sub-Tier 1 suppliers.

4 Quality Management System Documentation (IATF 16949 section 7.5.1.1)

Supplier shall be aware, consider and meet **MBST 14/07, section 1** requirements. This is in-line with SMP Global Supplier Manual and also with IATF16949 requirements, stating that sub-Tier 1 suppliers shall develop their Quality System with the ultimate goal of having 3rd party IATF16949 certification.

5 Record Retention (IATF 16949 section 7.5.3.2.1)

In case of Daimler related documentation, supplier shall meet **MBST 13/19, section 7**: the storage periods shall be based on VDA Volume 1. Following the discontinuation of series production, the PPA (Production Part Approval) process documents shall be archived for 15 years by the supplier and submitted on request.

6 Customer – Designated Special Characteristics (IATF 16949 section 8.2.3.1.2)

Supplier shall meet the requirements of **MBST 13/19, section 5, paragraph 8:**

In deviation from industrial standard, the following requirements apply to the DS/DZ characteristics specified in the specification documents (e.g. drawings, CAD data records):

- Short-term process capability $C_{mk} \geq 2.00$
- Long-term process capability $C_{pk} \geq 1.67$

The procedure for special processes shall be as described in MBST14.

Supplier shall meet **MBST 14/07, section 5, paragraph 3, 6 and 7:**

The supplier is responsible for determining and properly defining the special characteristics (e.g. safety, certification, functionally and process-relevant) in accordance with the specifications, requirement specifications or other Daimler data, as well as for the suitable optimization of production systems, processes and test methods. If, in the case of a product defect, it is not possible to exclude risk to life or health during use of the product, the supplier shall do everything within its power to exclude the possibility of defective deliveries.

If a product feature cannot be demonstrated with process capability figures, e.g. for specific processes (e.g. welding, heat treatment, casting), proof must be provided by way of secondary features and/or a 100% test must be employed. In such cases Daimler can demand that suppliers apply different suitable methods of providing evidence for process security specific to components in series production.

7 Special Characteristics (IATF 16949 section 8.3.3.3)

Supplier shall meet the requirements of **MBST 13/19, section 5, paragraph 3 and 7:** The following themes are defined as part of the sampling planning before the PPA Process:

- >> The documents specific for the sampling scope taking into account table 1 (MBST 2020 MBST 13/19, section 6),
- >> Possible part bundles and
- >> the required number of samples.

In addition to technical sampling (Q-status), variant sampling (F-status) shall also take place for parts distinguished by supplementary code 2 (colors, languages, etc.).

Product and process characteristics for which capability studies shall be performed shall be coordinated with SMP. Until process capability has been verified, the characteristics shall be tested 100 % by the supplier.

8 Product Approval Process (IATF 16949 section 8.3.4.4)

Supplier shall meet the requirements of **MBST 13/19 complete Production Process and Product Approval section**, if interpretable for sub-tier1 suppliers.

9 Design and Development Changes (IATF 16949 section 8.3.6.1)

Supplier shall meet the requirements of **MBST 13/19, section 4:**

SMP Purchasing department employees responsible for series production approval shall be notified of all production process and product modifications. Unless otherwise agreed, the procedure is according to the following matrix.

| Trigger | Daimler specialist department for the PPA Process | Daimler operative procurement | Daimler logistics |
|---|---|-------------------------------|-------------------|
| New parts | D | | |
| Product modification* (approved by Development) | D | A | |
| Production relocation | D | A | A |
| Production process modification** | D | | A |
| Test process modification | A | | |
| Production stoppage for more than 12 months | D | | |
| Use of new, modified or replacement tools (not applicable to metal cutting tools) | D | A | |
| Change in 2nd-tier suppliers (Daimler 2nd-tier). In the case of parts with special characteristics (DS, DZ), the above obligation exists up to the supplier responsible for the characteristic. | D | A | |
| Change in 2nd-tier supplier locations (Daimler 2nd-tier) for deliveries with DS/DZ features. | D | A | |
| Change in 2nd-tier supplier locations (Daimler 2nd-tier). | A | A | |
| Modifications in the Partner's purchased parts/primary material/stock | D | | |
| No unconditional series production approval | D | | |
| Failed requalification | D | | |

*Includes modifications of material as well

** Also includes modifications to the logistical value chain

D = Execution of the PPA Process by the Partner

A = Obligation of disclosure in written form by the Partner to the Daimler specialist department.

Implementation and scope of the PPA Process is decided by the Daimler specialist department.

Within the scope of sampling of new and of modified parts supplier is obliged to set the material data sheets in IMDS. The ID-number for the IMDS data record has to be defined on the initial sample cover sheet and in the corresponding Annex "material data sheets/IMDS". The regulations of MBST 36, especially with regard to "Confirmation of/Adherence to Substance Bans", have to be observed by supplier.

AND in case of required by Daimler, supplier shall meet **MBST13/19, section 6** in addition to SMP Global Supplier Manual PPAP requirements.

10 Customer – Directed Sources (IATF 16949 section 8.4.1.3)

Supplier shall meet **MBST 14/07, section 6** requirements: Under consideration of the inspections carried out at the supplier's premises in accordance with MBST, the inspection carried out at Daimler is restricted to the comparison of delivery note data with the goods labels, checking the number of load units and inspecting external transportation damage which is clearly visible on the packaging.

There are no more far-reaching examination obligations for Daimler.

Daimler and SMP is entitled to participate in inspections, appraisals, reviews or tests carried out by the supplier and its sub-suppliers, to have these observed by third parties authorized by Daimler or SMP, or following prior coordination, to conduct such inspections itself on the premises of the supplier and its sub-suppliers or to have these carried out by authorized third parties. Daimler and SMP has the right to inspect all development documents (software incl. source code for the purpose of analysis, e.g. ascertainment of metrics) and documentation which accompanies production relating to Daimler.

11 Statutory and Regulatory Requirements (IATF 16949 section 8.4.2.2)

Supplier shall meet **MBST 14/07, section 2** complete Legal and Regulatory Requirements for Certifications: The supplier is obliged to meet all legal or regulatory requirements and to take the necessary measures for acquiring and maintaining the necessary product-related and/or location-related certification activities in good time (e.g. application of auditing of production sites/technical tests of parts). The aforementioned requirements are dependent on the market or the markets, for which the deliveries are destined.

The supplier must ensure independently and on his own responsibility, that the related documents (certificates, type approvals etc.) are up to date and valid. The supplier must transfer those documents to SMP on time, without the need of a request by SMP.

The supplier must ensure delivery of parts, which meet all legal or regulatory requirements, over the whole life cycle, i.e. even after the end-of-production

(EOP) of the vehicle during the period of spare parts supply – until revoked (incl. recertification).

Upon becoming aware of any change of the production process and/or of the company name and/ or of the address of a production site, also with regard to sub-suppliers, that may have any effect on the validity of the certifications (e.g. relocating production facilities, tools or entire production sites, a change of address, decommissioning of production sites, end-of-life inventories a suppliers or name changes), the supplier shall immediately notify SMP of said change.

12 Supplier Quality Management System Requirements (IATF16949 section 8.4.2.3)

Supplier shall meet the requirements of **MBST 14/07, section1, paragraph 2**: SMP will set up its QM system in such a way that its suppliers and their sub-suppliers will also be required to comply with the requirements of this MBST.

13 Identification and Traceability (IATF 16949 section 8.5.2.1)

Requirements of designations are specified by SMP Engineering in an appropriate document, which is in line with **MBST 14/07, section5, paragraph 8**. Supplier to be aware and meet the requirements of both.

14 Control of Changes (IATF 16949 section 8.5.6.1)

Supplier shall meet **MBST 13/19, section 4** requirements: please see the same requirement listed above, at **IATF 16949 section 8.3.6.1**.

15 Layout Inspection and Functional Testing (IATF 16949 section 8.6.2)

Supplier shall meet the requirement of **MBST 14/07, section5, paragraph 9**:

The supplier is required to verify annually that its supplies meet Daimler and SMP specifications (including dimensions, materials, reliability, regulatory and environmental requirements and production control plan) (requalification).

The supplier evaluates documents and archives the results. These must be made available to Daimler and SMP on request. Any deviation from this paragraph must be agreed in writing between the supplier and SMP or Daimler.

16 Verification and acceptance of conformity of externally provided products and service (IATF 16949 section 8.6.4)

Supplier shall meet the requirement of **MBST 14/07, section3, paragraph 1**: Daimler is entitled to audit and evaluate the supplier's QM system and quality assurance measures or to have these audited and evaluated by a third party

commissioned by Daimler. This can take place as part of a review (e.g. Process audits according to VDA 6.3) after prior notification.

As part of its deliveries, the Partner must also enable the auditing of its suppliers and their sub-suppliers by Daimler or a third party commissioned by Daimler. The Partner consents to assist Daimler in identifying weaknesses in the sub-supplier structure. Optimization of the weaknesses which are ascertained is the responsibility of the Partner. Daimler can stipulate quality assurance measures.

17 Statutory and Regulatory Conformity (IATF 16949 section 8.6.5)

Supplier shall meet the requirements of **MBST 14/07 section 2**, detailed list of requirement please see above, listed at **IATF 16949, section 8.4.2.2**.

18 Customer Authorization for Concession (IATF 16949 section 8.7.1.1)

Supplier shall meet the requirements of **MBST 13/19, section 5, paragraph 6**, same as described above at **IATF 16949 section 8.3.6.1**.

19 Customer Notification (IATF 16949 section 8.7.1.6)

Supplier shall meet the requirements of **MBST 13/19, section 5, paragraph 1 and 2**: If a PPA process trigger caused by the supplier arises, the supplier shall provide notification of this trigger at least six months prior to planned implementation. In justified, exceptional cases, deviating regulations will be agreed with the SMP department responsible for series production approval. Relocation shall not be permitted in the start-up phase. Notification of relocation shall be issued six months in advance and shall require approval from Daimler and SMP.

Daimler and/or SMP shall specify a sampling date to the supplier. The number of sample parts must be agreed upon with the respective SMP contact person for the PPA Process and the sample parts must be delivered free of charge.

20 Regarding Sustainability/Health and Safety

As an employer, the supplier ensures the work safety and health at work within the framework of national provision and supports a continuous development of the working environment.

In line with **MBST 36/12**, in the category working conditions / labor standards, it is important to include also regulations on health and safety at work as an important component of the contract apart from wages and social benefits, working hours, prevention of child labor, free choice of employment, freedom of

association and the right to collective bargaining, to ensure that there is a high level of safety and that the working conditions are continuously improved.

21 Preservation (IATF 16949 section 8.5.4.1)

Supplier shall be aware of Daimler requirement **MBST 28/16**, however deliveries made to SMP shall met SMP requirements, described in Packaging and Logistic Appendix of SMP Global Supplier Manual.

22 Change log

| Revision | Date | Description |
|----------|------------|--|
| 1 | 30.09.2020 | first issue |
| 2 | 01.03.2021 | Carry over in B.A.Se |
| 3 | 30.07.2021 | Layout revised 8.3.2.3 Development of products with embedded software deleted (n.a.) |
| 4 | 27.01.2022 | Update the references from the MBST 2016 to the MBST 2020. |