Supplier Requirements Manual

May 2013

Panel
Programs
Performances in Series
Introduction

Our mission is to create and deliver high-quality and innovative products, technical solutions and services that contribute to our customers' competitiveness and create value for our employees and shareholders.

To achieve this mission, we have to set ourselves ambitious quality objectives. These objectives are to reach 15 PPM \(^1\) and 0 red Safety and Regulation alerts. Zero defects and zero tolerance of non-Quality is the FES Faurecia Excellence System objective. An adaptation of FES is done for Suppliers as SES Supplier Excellence System. The Breakthrough Quality Plan is implemented to bridge the gap between our current quality performance and these demanding objectives.

At Faurecia, purchased parts account for over 60% of our overall costs. As such, Faurecia’s performance is highly dependant on that of our suppliers. To achieve our customer's quality, cost and delivery objectives, we are determined to establish and develop close and long-term relationships with our suppliers. The involvement of our suppliers within this partnership will be managed through this manual, which offers a framework to bridge the gap between our current quality performance and the expectations of our customers.

The Supplier Requirements Manual sets out Faurecia policy and procedures for the selection of suppliers and the management of the panel. We must apply this policy strictly if we are to achieve our quality goals and satisfy our customers.

Kiichiro (Ken) Sato
Senior Vice President Group Quality

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\(^1\) In average, commodity dependant

FAURECIA_SUPPLIER_REQUIREMENTS_MANUAL_FAU-C-SPG-4030-EN-6b
THE FAURECIA EXCELLENCE SYSTEM

Within FES, the basis of our operating culture, the Supplier Partnership is key in ensuring that we work with you to achieve our common goals.

Scope

Faurecia's Supplier requirements contained in this manual are applicable to all Supplier Manufacturing sites and include production parts, service parts as well as assemblies which are supplied to Faurecia plants.

This manual reinforces the Faurecia Purchase Order Terms and Conditions and the General Purchasing Conditions. The QAA (Quality Assurance Agreement) formalizes your agreement to the present manual. To that end, this manual is an appendix to the signed QAA.
Supplier Quality System requirements

Standards

Faurecia recognizes the Global ISO/TS 16949 (Quality management systems, or ISO 9001 where applicable), ISO 14001 (Environmental Management Standard) and OHSAS 18001 (International Occupational Health and Safety management system) Standards and other Customer requirements as they apply to automotive production and relevant service part organizations. Accordingly, all Faurecia suppliers are required to establish documents and implement effective production, quality and management systems compliant with these requirements, including those specified by the Customer requirements. The related certifications must be uploaded into the GPS Supplier portal and communicated to the Supplier Account Manager, with information on validity date, update and cancellation.

2 At their latest version

Audits/ Assessments

By audits and assessments, Faurecia reserves the right to verify supplier compliance to the above listed requirements on-site for those suppliers identified as having a high impact to Safety, Fit, Form, Function, Quality and or Customer down-time, and requires all production suppliers to verify their sub-suppliers and subcontractors’ certification compliance to the above mentioned standards.

Special Quality System Requirements

The SUPPLIER undertakes to:

- **Comply with the environmental regulations and requests** (material and substances reporting, recycled content, recycling solutions, European Directive on End of life vehicles and its annexes, customers’ special requests).

- **Guarantee that no critical / hazardous material and substances** such as heavy metals are contained in its Parts and Materials according to ELV directive (2000/53/EC and its updated Annex II. see the consolidated text of the ELV Directive on the following website www.europa.eu.int).

- **Fulfil its obligations set out under REACH**, the European Regulation (EC) 1907/2006 about the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH). In particular, all suppliers, including their supply chain, are responsible for ensuring that Faurecia is informed of presence in the product of substances on the candidate list (SVHC); that the safe use and risk management measures (RMMs) for Faurecia are included in the safety data sheets; that for products purchased outside EU, the supplier is responsible for taking the importer role (e.g. nominating an only representative) and that if a product needs to be modified due to REACH, Faurecia will be immediately notified.

- **Provide material documentation data for entry** in one of the below systems: - **IMDS** (International Materials Data System) (German, Asian, American OEM’s & Renault)
- MACSI (PSA Client) = specification N° PSA B-20 0250
- Toyota COV method: TSZ0001G Toyota Engineering Standard: control method for substances of environmental concern

- **Comply with all Faurecia quality management procedures in Development**, including:
  - Use of Faurecia APQP (Advanced Product Quality Planning) tool to ensure that preventive quality actions are used
  - Comply with PPAP (Production Part Approval Process)
  - Use of other automotive industry standard tools & procedures such as: FMEA (Failure Mode and Effects Analysis), MSA (Measurement System Analysis) and SPC (Statistical Process Control) as defined in AIAG (Automotive Industry Action Group) procedures or other tutorial documents

- **Include any production, inspection measuring and test equipment** provided by Faurecia in its own quality management system, if nothing else has been agreed upon.

- **Set up and maintain a Sub-Supplier management** system in accordance with the here described requirements and including:
  - Documented evidence from the Supplier on the follow up of second tier quality management system
  - Follow up the quality of the bought out parts using other suitable measures (including PPM quality target setting, special key characteristics follow up, Validation plan, Control plan, Run@Rate and Process audit, PPAP and Initial Samples submission,...).
  Faurecia reserves the right to carry out process approval at the sub-supplier on its own initiative in case of major problem or risk.

- **Build a Control Plan in line with Quality Basics and Put in place an early containment plan for all**
  Program start up (minimum 3 months before PreSerie deliveries and up to 3 months after SOP without defects, extended for the same period when defects are found) and product changes.
  This will include either a reinforced Control Plan for all parts or a Quality Wall per the “7 Quality Basics” for risky parts (i.e “Traded parts”, or parts for which the Supplier process audit and/or Run @ Rate are not satisfactory), or at explicit demand of Faurecia,

- For each Quality Wall, a specific agreed identification (proof that the parts went through the quality wall) must be added on the packaging.

- **Put in place a Containment in case of PF4 or proven repetitive failures** exceeding the PPM target
Packaging and Logistics

Parts delivery conditions are in the supplier logistic specifications. The packaging and transport mode must ensure the delivered products integrity, to the reception at FAURECIA or at the customer for the "Traded parts".

For the BOP packaging, the SUPPLIER is responsible for the development, the investments, the cleanliness and the maintenance.

The requirements are:
- Recycling packaging
- Recycling protection
- "bar code" Identification

Other requirements may be specified by Faurecia according to the needs of the Faurecia delivery plant.

For the "Traded Parts" (i.e. Parts Delivered directly to the End Customer ("PLS"), the SUPPLIER is responsible for the Packaging design recommendations which will have to be submitted and accepted by the End Customer.

For more details, refer to the Supplier Logistic Manual

Marking

Each component must be marked to permit the material identification regarding their recycling. This marking must be visible after the final assembly.

The material type mark must be in accordance with the FAURECIA requirement:

After assembly, no marking has to be visible on the visible side. In all cases, the marking area must be specified on the supplier drawing following agreement by all concerned parties. In the case of large parts, the marking will have to be repeated.

The marking has to be in accordance with the relevant requirement with individual traceability.

The product part(s) must contain the flow chart number and the trademark, OEM & FAURECIA Marking

Inspection report:

At any project stage, all parts deliveries must be accompanied by a control report of the delivered parts containing either:

- Fully measure: according drawing and CAD model => Qty by cavities to be agreed with the Faurecia (normally 5 parts by cavity)
- Partly measure: according the SC/CC points and other points defined for end of each gate
  => 30 parts by cavity for capability

The control report will be in accordance with the relevant norm or requirement (for example: chemical analysis, mapping…)

Exchanges CAD models / Numerical supports

The CATIA version to use will be confirmed during the Request for Quotation. During the supplier choice, the supplier designers will have to be trained on this version and the proceeding modules (SOLIDE, GSM) and surface modeling. The CAD models will have to respect the Faurecia conception methods.

In case the supplier is present on the Faurecia site; its staff will work in the conditions defined by Faurecia, with a secure access. The accesses will be defined by Faurecia. The supplier will have to use the numerical structure defined by Faurecia.

EDISON Supplier Portal is a tool for internet based data exchange with external partners (suppliers, sub contractors ...), for sending (upload) and receiving (download) Engineering Data
MATERIAL CONTENT & SPECIFICATIONS, REACH

All suppliers must provide evidence of Materials, Substances, and Recyclability data submission and acceptance by Faurecia with every PPAP submission. Either a copy of the acceptance note or a print out of the ‘Recipient Data’ from IMDS is considered as the only valid evidence of submission. PPAP approvals will not be granted for the parts not accompanying this documentation. Faurecia suppliers are responsible for cascading this requirement and collecting data from their respective sub-suppliers.

An action plan for substitution of forbidden substances must be provided in case of parts containing such substances. Special case for the Chromium VI present for rust free prevention covering: In case of impossibility of the specifications respect or the objective price, a case by case request will be made. This one will indicate the quantity of chromium, the quantification measure used and the replacement solutions.

Hazardous substances reporting
The European instruction 67/548/EEC demands the localization of all the hazardous substances listed in the Appendix 1 of the instruction. A global list for automotive industry has been made and is annually updated on the http://www.gadsl.org website. Renault uses a special list in the 00-010-050 standard. A declaration for chlorinated parts must be done for this OEM (00-010-060 standard).

REACH (the European Regulation (EC) 1907/2006 about the Registration, Evaluation, Authorisation and Restriction of Chemicals) is the new chemicals regulation that aims to ensure a high level of protection of human health and the environment from chemical substances, while enhancing competitiveness and innovation. For automotive industry, guidelines have been published to support implementation of REACH: Automotive Industry Guideline on REACH (AIG V2.1) which can be found at www.acea.be/reach.

One of the main elements of REACH is registration of substances, which obliges manufacturers and importers of substances to provide a defined set of information, in the form of a registration dossier, to the European Chemical Agency (ECHA). This information concerns the hazards of the substances and whether they could pose risks when being used. Manufacturers and importers of certain hazardous substances need to assess the exact nature and extent of these risks in a ‘chemical safety assessment’. Certain very hazardous substances (SVHC : Substances of Very High Concern on the ECHA Candidate List) will require authorisation before they can be used and restrictions may be placed on the use of certain substances. Substances on the Candidate list (SVHC) shall be avoided as far as possible, otherwise Faurecia should be notified of their presence in the product.

Under REACH, downstream users must not place on the market or use any substances which are not registered in accordance with REACH. Downstream users will receive information on hazardous substances and preparations, including risks from their use and measures to control these risks, in safety data sheets. Some safety data sheets will have an annex, called an exposure scenario. This exposure scenario will give more specific information on how to use the substance or preparation safely and how to protect yourself, your customers and the environment from risks.

Metal raw material
All materials used must be to the specifications and grade declared on the drawing. These must be the same as those used during the homologation, testing and production of the validated initial samples. In order to ensure that there is no confusion, it would be advisable to provide a material certificate with all deliveries and/or to state clearly the material grade/specification used on the delivery note.

Plastic parts basic rules
For the plastic material choice, the supplier will provide all technical justifications in case of a proposal based on a material not part of the Approved Material Reference (AMR or RMA Référence Matière Approuvée) list.
Panel Management

A supplier will be integrated with a Panel status into the vendor list when it complies with the Faurecia business criteria (financial strength, expertise, footprint, quality and environmental assessment ...), have submitted a vendor profile and have signed the following documents:
- General Conditions of Purchase
- Quality Assurance Agreement (QAA)
- Confidentiality Agreement (when requested by Faurecia)
- Compliance to Social and Environmental requirements

Supplier’s expertise

- EXPERT
An expert supplier co-operates with Faurecia to define the functional specifications, propose solutions and participates in design. It is autonomous and responsible for its processes and designs; it will manage and design complete sub-assemblies.

- DESIGNER
A designer supplier designs parts based on Faurecia functional specifications, designs complex parts with full design & process responsibility.

- MANUFACTURER
A manufacturer is responsible for its own production processes. Faurecia is responsible for the design (detailed specifications).

- SUBCONTRACTOR
A subcontractor is considered as an extension of Faurecia manufacturing. It is responsible for the compliance of its process to Faurecia specifications and it manufactures parts in accordance with the definition file.

Panel status

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<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>P</td>
<td>Panel</td>
<td>Fully approved supplier for development and production. Only class A suppliers may be considered within this status. All criteria are in accordance with our policy.</td>
</tr>
<tr>
<td>I</td>
<td>Intermediate / Investigation</td>
<td>In the Vendor List but not yet assessed or pending because of other criteria not being fulfilled (Finance, Development...) &amp; Mandated Suppliers</td>
</tr>
<tr>
<td>H</td>
<td>on Hold</td>
<td>No consultation for new development. Production orders maintained.</td>
</tr>
<tr>
<td>E</td>
<td>Eliminate</td>
<td>Not acceptable supplier. To be eliminated from the vendor list</td>
</tr>
<tr>
<td>Pr</td>
<td>Prospect</td>
<td>Supplier which passed a first screening (under market screening process) and can receive an RFI/RFQ No award possible under this Status</td>
</tr>
</tbody>
</table>
As 80% of the final product performance is determined during the development phase, effective program management is the key to our success. Faurecia’s objective is to work closely with its Suppliers through partnerships. It is Faurecia’s intention to provide the framework (a common language) within the development phase, which will enable a structured, managed program that delivers reduced development costs, with the achievement of all set targets (quality, cost and delivery).

Program Management System (PMS) is the Faurecia management tool used during this phase. PMS reviews must be set and gates or other milestones respected. To succeed, the supplier must:

> Provide feasibility commitment with its offer
> Set and agree on quality requirements including timing plan at the beginning of the development phase
> Implement corrective action plans on product and processes prior to SOP (start of production)

Requirements are in the RFQ sent under GPS

The principal phases of the product development at Faurecia and the end Customer are:

1. **Acquisition** The supplier project launch is carried out at the end of a preparation period during which the supplier takes note of Faurecia needs, defines and plans work to realize and dimension its resources and abilities.

2. **Product and Process Design and Development**: at the agreement on the development data, the supplier conceives the components of the BOP (Bought out Parts or POE “Pièces Ouvrées Extérieures”) allowing fulfilling the requirements specified by Faurecia.

3. **Production set-up and Pre-Series** After the definition agreements and their justifications made by the supplier during the product and process development and design step, the supplier realizes products which fulfill the Faurecia requirements. For each part delivered to Faurecia, the supplier realizes trials allowing checking if the product answers to the specified requirements and validation plan.

4. **Launch** From the product definition choice, the supplier conceives its manufacturing process, implements and qualifies it referring to the objectives specified by Faurecia.

5. **Production**

During each PMS phase, the supplier's performance will be tracked and monitored to ensure that suppliers achieve their targets set at each review.

- All suppliers are required to produce Advanced Quality plans to support the development of new products and/or services, in accordance with the guidelines in the Advanced Product Quality Planning and Control Plan (APQP) as detailed below.
- All suppliers are required to report the status of plan activities on a regular basis.
Project Organization & General planning steps

Advanced Product Quality Planning (APQP) : Introduction

Advance Supplier Quality (ASQ) manages the APQP for external suppliers with the support of the Program Buyer and the D&D Product/Process Design. The APQP process is designed to ensure that external suppliers integrate preventive quality actions into their work methods.

The APQP process consists of 31 elements deployed within the phases of the program. Responsibility for each element is either Faurecia, Supplier or shared as defined in kick off meeting.

The underlined Elements must be followed with deeper attention because they are potential Program RED LIST criteria. This assessment is done per Program.
## APQP ELEMENTS

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<tr>
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<tbody>
<tr>
<td>1</td>
<td>Program Steering Committee</td>
<td>Within Faurecia, the program team reviews key program information and timing</td>
</tr>
<tr>
<td>2</td>
<td>Confidentiality Agreement –QAA</td>
<td>Enable both Faurecia and Supplier to ensure confidentiality when required Existence of Quality Assurance Agreement is checked; need for update identified</td>
</tr>
<tr>
<td>4</td>
<td>Technical Input Requirements</td>
<td>Technical data reviewed by Faurecia to include engineering changes and to make expected performance understood between all the Parties Part of the RFQ</td>
</tr>
<tr>
<td>3</td>
<td>Special Characteristics</td>
<td>A Key Characteristic is a product characteristic (material, dimension, performance) or a process parameter whose variation can affect: - compliance with the regulations (environment safety and REACH); - compliance with safety requirements for the user of a vehicle or a product; - the satisfaction of the final customer through quality reliability or durability of a Fit, Form and Function; - The possibility of using the product by downstream customer (mountability, workability). They are identified based on the Drawings, the Process flow diagrams, the Control plans and other engineering documents</td>
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<td></td>
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<tr>
<td>5</td>
<td>Technical Reviews</td>
<td>Meeting attended by potential suppliers to assess the supplier proposition based on below Risk assessment items and resulting in Feasibility Commitment.</td>
</tr>
<tr>
<td>6</td>
<td>Risk Assessment</td>
<td>Done by Faurecia in 2 phases of the Program</td>
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### Key Characteristics

#### Steps

1°) Designate the KPC Key Product Characteristics based on S/R & F/F; Drawings and Eng. Specs; using D/FMEA, Functional Analysis, TCM Tolerance control management, ….

They are established by the Expert or Designer Suppliers or by Faurecia for the Manufacturer Suppliers

2°) Plan & Verify (prototype Control plan, DVP, capability study, PVP)

3°) Improve KCC Key Control Characteristics resulting in Work instructions and finalize in production Control plan

4°) Monitor in Series production, update Control plan when needed

### 1°) Designation of the KPC Key Product Characteristics

- They are identified based on S/R & F/F; Drawings and Eng. Specs; using D/FMEA, Functional Analysis, TCM Tolerance control management, ….
- They are established by the Expert or Designer Suppliers or by Faurecia for the Manufacturer Suppliers

### 2°) Plan & Verify

- Prototype Control plan, DVP, capability study, PVP

### 3°) Improvement of Key Control Characteristics

- Work instructions
- Finalize in production Control plan

### 4°) Monitoring in Series Production

- Update Control plan when needed

## Technical Input

- Meeting attended by potential suppliers to assess the supplier proposition based on below Risk assessment items and resulting in Feasibility Commitment.

## Program Steering Committee

- Within Faurecia, the program team reviews key program information and timing

## Confidentiality Agreement –QAA

- Enable both Faurecia and Supplier to ensure confidentiality when required
- Existence of Quality Assurance Agreement is checked; need for update identified

## Technical Input Requirements

- Technical data reviewed by Faurecia to include engineering changes and to make expected performance understood between all the Parties Part of the RFQ

## Special Characteristics

- A Key Characteristic is a product characteristic (material, dimension, performance) or a process parameter whose variation can affect:
  - compliance with the regulations (environment safety and REACH);
  - compliance with safety requirements for the user of a vehicle or a product;
  - the satisfaction of the final customer through quality reliability or durability of a Fit, Form and Function;
  - The possibility of using the product by downstream customer (mountability, workability).

They are identified based on the Drawings, the Process flow diagrams, the Control plans and other engineering documents

### Steps

1°) Designate the KPC Key Product Characteristics based on S/R & F/F; Drawings and Eng. Specs; using D/FMEA, Functional Analysis, TCM Tolerance control management, ….

They are established by the Expert or Designer Suppliers or by Faurecia for the Manufacturer Suppliers

2°) Plan & Verify (prototype Control plan, DVP, capability study, PVP)

3°) Improve KCC Key Control Characteristics resulting in Work instructions and finalize in production Control plan

4°) Monitor in Series production, update Control plan when needed

## Technical Reviews

- Meeting attended by potential suppliers to assess the supplier proposition based on below Risk assessment items and resulting in Feasibility Commitment.

## Risk Assessment

- Done by Faurecia in 2 phases of the Program
  - **Product & Process**
    - Product carry-over; …; full new development
    - Process technology
    - Tooling
    - Design responsibility
    - Program timing
    - Volume and ramp up
    - Safety and legal impact
    - Customer expectations
    - Part Design
    - Mandated supplier
  - **Supplier**
    - Supplier facility; technology and workforce (Existing; new; )
    - Performance
    - Production capacity
    - Assessment
    - Logistics; Distance
    - Communication
<table>
<thead>
<tr>
<th>7</th>
<th>Master Schedule</th>
<th>Planning describing tasks and milestones to be able to create a product responding to the program objectives. The supplier must build a master schedule based on Faurecia and End Customer milestones for:</th>
</tr>
</thead>
</table>
| **Production preparation** | • Process planning; layout  
• Preparation of facilities and equipment procurement  
• Sub-supplier; selection; procurement  
• Quality standards and gauges (Control plan, work standards & instructions, Boundary samples, early Containment)  
• Packaging and transportation  
• Training  
• Trials  
• Manufacturing support systems (handling, control, Poka-yoke, | X X |
| **Tool progress** | • Design, Machining  
• Assembly Try out  
• Tuning  
• Tool ready OK for graining | X |
| 8 | Feasibility Commitment | As part of its Offer, the Supplier must confirm and provide evidences that the product can be produced according to the quality, planning and cost requirements, with demonstration of its ability to follow the targets (estimations, return on experience, feedback on similar products, related action plans). Remarks and comments are accepted  
Update may be done at drawing freeze  
Capacity information must also be given | X |
| 9 | Sourcing Committee | Internal Faurecia decision making based on Costs, Risks, Feasibility and past performance  
Supplier Development actions need to be identified at this step | X |
| 10 | Sourcing Decision / Contract / SOW | Purchasing/development contract Decision and communication to Supplier (LON Letter of Nomination, TLC Tool Lending Contract)  
In case of a Mandated Supplier or sub-supplier, a SOW (3 or 4 Parties Statement of Work; OEM, Faurecia, Supplier, Sub-Supplier) must be part of | X |
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<tbody>
<tr>
<td>11</td>
<td><strong>Program Review / Kickoff</strong></td>
<td>Faurecia-Supplier meeting(s) and program review scheduled according to PMS milestones. Defines the Project tracking. The Supplier plan will be tracked during further project reviews when the following topics will be covered: - Quality - Costs - Master Schedule, Planning Milestones and Deadlines - Product – Process - Team (including Supplier Resources) The detailed agenda and the report have to be proposed by the Supplier before the review. The Supplier review report will be sent to FAURECIA within one week.</td>
<td>X</td>
</tr>
<tr>
<td>12</td>
<td><strong>Design FMEA</strong></td>
<td>Failure modes and effects analysis. To establish an action plan for product improvements.</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td><strong>Design Review</strong></td>
<td>Review design product details including functional requirements, assembly and manufacturing. Defines characteristics (KPC,KCC) needing particular controls and capability measurements</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td><strong>Pre-Production &amp; Prototype Builds</strong></td>
<td><strong>Requirements for delivery to Pilot Plant:</strong> - Prototypes Control plan to be defined - Product identification (with engineering revision level) - Packaging - Inspection report</td>
<td></td>
</tr>
<tr>
<td>15</td>
<td><strong>Design Verification Plan (DVP)</strong></td>
<td>Definition of the Tests required to verify that the product meets requirements and targets These tests are conducted either by Faurecia (if Manufacturer or sub-contractor) or by the Supplier (Expert or Designer), with some OEM contribution.</td>
<td>X</td>
</tr>
<tr>
<td>16</td>
<td><strong>Drawing / Specification</strong></td>
<td>1. <strong>Drawings released</strong> by Expert/designer with Faurecia engineering approval or by Faurecia with Supplier Manufacturer approval 2. <strong>Drawing approved</strong> with Feasibility Commitment update leading to Tool</td>
<td>X</td>
</tr>
</tbody>
</table>
Freeze

launch

3. OPEN ECR’S critical to PPAP timing
ECR process should be as described below
Any ECR affecting PPAP timing is supposed to turn this element back to RED

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Process Flow Chart;

1) Representation of Supplier entire manufacturing process flow

X

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Sub-Supplier management

2) Sub-Suppliers Management;
Supply chain representation with description of sub-suppliers risks and actions

For critical Sub-Suppliers:
- Production Preparation Plans; Tool Progress Reports
- Control plan and Working instruction
- Planning of readiness (PTAR, Run at Rate, Process audits)
- Parts Submission Warrant (PSW) with relevant PPAP items
- Change Requests (PCR) when appropriate

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Process FMEA

Potential Failure modes and effects analysis of the process.
Permit to establish an action plan for the process improvements.

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Facilities,

Following key items are tracked:
1. Facilities preparation and Equipment procurement
   (with special focus on Supplier new location; Milestones and Special Check list to be deployed)

X

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Tools

2. Tooling Launch
3. First Off tool (results/dimensional report, convergence process)

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Gauging

4. Gauge launch
5. Gauge available
**Gauge validation** review to ensure accurate R/R measure of characteristics according to MSA.

**Control Plan**

List of planned tasks (Operator, Maintenance, Lab, ...) to ensure Product conformity => process parameters and product KEY Characteristics

3 Levels:
1. Prototype (see element 14)
2. Pre-Production
3. Production

The control plan must be made using the Faurecia standards in

**Control Plan: Work instructions**

**Job Instruction**

Safety issue: to be used if a real risk exists for employees!

Whole Time needed according to the Standard Combination Table

Standard Operation on "living" documents. They must be updated frequently

Operation number which the picture shows in white background to improved visibility

**Control Plan: Inspection Instructions**

Completed by hand can also replace pictures
Control Plan:

### Set up / OK 1st part

<table>
<thead>
<tr>
<th>Daily Check-sheet</th>
<th>1st part OK!</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safety, 5S</td>
<td>OK/NOK</td>
</tr>
<tr>
<td>Polyvalence</td>
<td>OK/NOK</td>
</tr>
<tr>
<td>Process Parameters</td>
<td>OK/NOK</td>
</tr>
<tr>
<td>Preventive</td>
<td>OK/NOK</td>
</tr>
<tr>
<td>Maintenance</td>
<td>OK/NOK</td>
</tr>
<tr>
<td>Product Characteristics</td>
<td>OK/NOK</td>
</tr>
</tbody>
</table>

- At every start of shift, process change-over, breakdown
- Back-up mode clearly identified, available at workstation
- Keep and display 1st part OK until next change/shift
- If next start-up NOK or customer concern => identify scope of suspect parts for containment

### Packaging and Logistic

Packaging is defined at 1st Off tool and validated before MPT. Availability of logistic loop is checked at Mass Production Trial.

### Training Plan

Supplier workforce trained on:
- Working instructions; Machine and Tool operation
- Quality care points; Master samples, photo book and quality surface; Control path
- Reaction to NOK
- WIP handling and Packaging

**4 levels Polyvalence** followed per person and per workstation:

- I: Beginner : Respect Standard
- L: Confirmed : Does not pass a defect
- U: Expert : Reach the cycle time of the Standard
- O: Trainer : Able to train other operator up to level 4
## Supplier Launch Support team
Multidisciplinary launch support team at Supplier location must be formalized. Selected suppliers may be required to provide Faurecia on-site representation.

## Appearance Approval
3 steps:
1. **OK for graining**
2. **1st grained parts**
3. **Design approval**: Graining/Color/Aspect, (gloss, and brightness,..) by End Customer

Existence of **Boundaries samples & Defects library** (photo book) signed-off

## Pre-PPAP check
Early check availability (before Run at Rate) of some key documents required in the PPAP file

## Supplier / Launch Readiness
Supplier readiness includes **Production Trials** at full capacity, to check that manufacturing process is capable of producing components that meet quality performance and quantity requirements before SOP,

**Key elements are:**
- Supplier MPT (Mass Production Trial)  
- Process Audit  
- Capability study

**SUPPLIER will check Launch Readiness and report** monthly in phases 3 and 4 to the ASQ & Program buyer (based on checklist refer to appendix)

Specific QVR Quality Validation Review may be held at Supplier location

## Trial Run @ Rate MPT (Mass Production Trial)
Quality and Capacity Supplier Readiness is evaluated in 3 steps:

1°) **PTAR**: Upon completion of 1st Off-Tool parts, the supplier measures 5 parts / cavity or tool and records the trial results under the PTAR (Production Trial Analysis report); this report sent to ASQ and program buyer for evaluation
2nd MPT: Mass Production trial, run with presence of ASQ, with goal to check the full capacity and with a check list per workstation, (specific tools and equipments 100% in place)

**EMPT** Extended Mass production trial
Repeated item 2 if needed

**The “Mass Production Trial”:**
- is mandatory
- produces parts for final Production Part Approval
- These parts have to be validated through the Production Validation Plan (PVP)
- Therefore MPT timing is before production validation at the latest SOP – (3 months + PVP lead time) or before Faurecia internal MPT
- date must be defined at Gate Review 1 and confirmed (detailed date) at Gate Review 2

must be carried out at the supplier production location
SUPPLIER REQUIREMENTS MANUAL

26  Process Audit

Audit performed per the MPT check list as a minimum (and if needed, per the automotive standards (VDA 6-3, FIEV, AIAG). Process Quality Audit Faurecia)

<table>
<thead>
<tr>
<th>ITEMS</th>
<th>WS 1 link</th>
<th>WS 2 link</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product definition (last version drawing, Bill of Materials...)</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Equipment (machine &amp; tool) in final location validated vs specifications</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>All production fixtures used</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Production operation sequence followed</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Machine cycle time at mass production rate</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Standard operation for machine defined</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Machine process parameters defined</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>First production trial reporting available</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>List of Special Characteristics available (product &amp; process)</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Control plan completed (including Special Characteristics) and consistent with process flow diagram, Product FMEA &amp; Process FMEA</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Checking fixtures with appropriate instructions available, Repeatability &amp; Reproducibility (RR) acceptable</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Machine capability completed (MFA) 1.67</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Following Quality Basic items in place: work station documentation, identification of non-conformances, management of rework, reserved workstation, auto-inspection instructions, Poka-Yoke, process start-up</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Boundaries samples, master samples in place and signed-off</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Team leader &amp; operator qualified at the workstation</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Parts manufactured by Team members / Operators only.</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Multi-skills and multi-sets matrix available and validated</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Plant Material and Information Flow Analysis (MIFA) up to date.</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Representative packaging for BOP &amp; BIP validated in terms of product quality and work station ergonomics</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Representative packaging for finished parts validated in terms of product quality and work station ergonomics (including individual protection)</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Equipment conform to HSE regulations (Health, Safety &amp; Environment)</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>100% MPT planned successfully performed for BOP &amp; BIP</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Relevant BOP, BIP and raw material conformance according to incoming inspection requirements.</td>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>

STATUS Calculation:
- If result OK, value is 100%
- If result NOK: value is 0%
Therefore, obtained points = the sum of the lines X 10/100
Total potential is sum of the lines X 10%

<table>
<thead>
<tr>
<th>ITEMS</th>
<th>WS 1 link</th>
<th>WS 2 link</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equipment conform to HSE regulations (Health, Safety &amp; Environment)</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Relevant BOP, BIP and raw material conformance according to incoming inspection requirements.</td>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>

27  Process Capability Study

Machine, Short Term & Long Term Capability studies performed on KPC & KCC

Capability targets to be reached are, according to how characteristics are shown on drawing:

For each characteristic shown in the drawing, conformity must be assured all along the product cycle life. In particular, while engineering change, production transfer and process change.

Capability target values are the same, regardless of the programme phase. However, the type of capability study to be carried out differs, as shown in the following table.

<table>
<thead>
<tr>
<th>Programme phase</th>
<th>Type of Capability Study</th>
<th>Minimum Sample size</th>
<th>Reaction rule according to capability study result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before &amp; during 1st Production Trial</td>
<td>Machine Capability</td>
<td>30 parts in a row</td>
<td>Above target</td>
</tr>
<tr>
<td>Mass &amp; Extended Mass Production Trial</td>
<td>Short term capability</td>
<td>25 samples of 2 parts</td>
<td>Above target &amp; in control</td>
</tr>
<tr>
<td>Serial Life</td>
<td>Long term capability</td>
<td>50 parts at random</td>
<td>100% inspection &amp; in control</td>
</tr>
</tbody>
</table>

Notes:
1) See FAURECIA SPG 4030 for details. For instance, if, in reality, the target, or target characteristic is using a target capability above 1.67, the calculation value of all parts of variation should be over 1.8% / 1 in a sample size of 100 parts, the target is 1.85.
2) X% inspection is mandatory for process stability.
3) The value of the characteristic is a potential target value for special characteristics.
4) The type of characteristic is a potential target value for special characteristics.

28  Production Validation

Testing based on off-tool, off final process parts which may include:
- Raw material Evaluation/certification
- Performance tests

X | X
<p>| 29 | Early Containment plan | Enhanced Control Plan, including a Temporary Quality wall (as defined in Faurecia 7 Quality Basics) on critical parts; or reinforced inspection in other cases. | X |
| 30 | PPAP Production Parts Approval Process | • All suppliers are required to obtain full approval from the Faurecia receiving facility per the below requirements based on of the AIAG Production Part Approval Process (PPAP) Manual, 4th Edition Approval based on the Initial Samples and associated documents integrating the below items (retention at supplier versus submission to Faurecia can be discussed, however Control Plan and FMEA abstract are mandatory parts of the Submission package) • All sample submissions are to be Level 3 (per AIAG) unless otherwise specified. • PPAP SUBMISSIONS OVER 1 YEAR OLD Whenever Faurecia is required to submit PPAP to their customer, all suppliers PPAP documentation must be no more than one year old. At that time, all PPAPs over one year old are to be updated upon request by Faurecia, regardless of the supplier’s business relationship with Faurecia’s customer | X |</p>
<table>
<thead>
<tr>
<th>PPAP Items</th>
<th>Design Records: (drawings, GD&amp;T)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>index &amp; appropriate part number and name correct</td>
</tr>
<tr>
<td>2</td>
<td>Engineering Change Documents</td>
</tr>
<tr>
<td>3</td>
<td>Customer Engineering Approval</td>
</tr>
<tr>
<td></td>
<td>Waivers if applicable</td>
</tr>
<tr>
<td>4</td>
<td>Key Characteristics: List including all Safety &amp; Regulations characteristics, functional characteristics (and aspect if important for customers)</td>
</tr>
<tr>
<td>5</td>
<td>Design FMEA</td>
</tr>
<tr>
<td>6</td>
<td>Process FMEA:</td>
</tr>
<tr>
<td>7</td>
<td>Control plan</td>
</tr>
<tr>
<td>8</td>
<td>Measurement System Analysis</td>
</tr>
<tr>
<td></td>
<td>(gauge R&amp;R Repeatability)</td>
</tr>
<tr>
<td>9</td>
<td>Dimensional Results &amp; Fitting</td>
</tr>
<tr>
<td></td>
<td>1°) dimensional results</td>
</tr>
<tr>
<td>10</td>
<td>Dimensional Results &amp; Fitting</td>
</tr>
<tr>
<td></td>
<td>2°) Assembly (Fit) and Processability test</td>
</tr>
<tr>
<td></td>
<td>Recommended code of Practice, manipulation, storage</td>
</tr>
<tr>
<td>11</td>
<td>Process capability</td>
</tr>
<tr>
<td>12</td>
<td>Laboratory scope and accreditation</td>
</tr>
<tr>
<td>13</td>
<td>Appearance approval report (Style, Visual) &amp; Border samples existence</td>
</tr>
<tr>
<td></td>
<td>Sample Parts (IS, Initial Samples)</td>
</tr>
<tr>
<td></td>
<td>production part status sheet</td>
</tr>
<tr>
<td></td>
<td>part photo</td>
</tr>
<tr>
<td>14</td>
<td>Marking (with shipping label and sample part label)</td>
</tr>
<tr>
<td>15</td>
<td>Packaging (description and acceptance; photo)</td>
</tr>
<tr>
<td></td>
<td>Tool(s) Identification (photo of the plates and of the tools)</td>
</tr>
<tr>
<td>16</td>
<td>Master / Border Sample</td>
</tr>
<tr>
<td></td>
<td>(+ photo book when required)</td>
</tr>
<tr>
<td></td>
<td>Checking aids/ Gauges description</td>
</tr>
<tr>
<td>17</td>
<td>List of Testing/Measurement equipments</td>
</tr>
<tr>
<td></td>
<td>Approval form; calibration record</td>
</tr>
<tr>
<td></td>
<td>Gauge work instruction</td>
</tr>
<tr>
<td>18</td>
<td>Compliance to Customer &amp; Faurecia Specific requirements:</td>
</tr>
<tr>
<td></td>
<td>Run @ Rate / PTAR &amp; MPT</td>
</tr>
<tr>
<td></td>
<td>Commitments (Capacity, Quality, Feasibility, S/R;…)</td>
</tr>
<tr>
<td></td>
<td>Early containment plan</td>
</tr>
<tr>
<td></td>
<td>Training plan of operators</td>
</tr>
<tr>
<td></td>
<td>Cover sheet = “PSW” Part Submission Warrant reason for submission</td>
</tr>
<tr>
<td></td>
<td>index &amp; appropriate part number and name correct</td>
</tr>
<tr>
<td></td>
<td>correct weight provided</td>
</tr>
<tr>
<td></td>
<td>supplier signature of an authorized official responsible for the submission</td>
</tr>
</tbody>
</table>
APQP tracking: the “status report”

APQP is applicable to BOP’s but also to COP (carry over parts) and specific raw materials, using a restricted list of the above elements.

The ASQ organization within Faurecia Purchasing monitors and manages selected suppliers from new product release through the Start Of Production.

A status is assigned to each APQP element according to the risk for the project represented by a color:

For each APQP element;

<table>
<thead>
<tr>
<th>Status</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>G</td>
<td>Element OK</td>
</tr>
<tr>
<td>Y</td>
<td>Submitted with Deviation ; Recovery plan acceptable ; counted as 50% of Green</td>
</tr>
<tr>
<td>R</td>
<td>Late and/or unacceptable quality of the delivery</td>
</tr>
<tr>
<td>NA</td>
<td>Non Applicable</td>
</tr>
<tr>
<td>A</td>
<td>Applicable ; PND (Program Need Date) not yet reached</td>
</tr>
</tbody>
</table>

In order to allow a Convergence plan, an SLI (Single List of Issues) will be maintained for open issues with this content:

- Entry date: date of entry of the item in the SLI (noted YY/MM/DD for sorting possibility)
- Last date modif: date of last update of the item n°
- Supplier: name of supplier; possibility also to add its location
- Module: name of module (ex IP, TC, DP) if a program integrates more than 1 module
- Part: Part designation
- APQP related n°: element of the APQP which is under deviation; may be more than just one; count up to 4 possible APQP elements for a single “item”
- Issue / Problem: describe the deviation & the root cause (text)
- Action: [text]
- Responsible: name of the leading person
- Dept: department of the responsible
- Support/Contributor: name of the other involved persons
- Deadline: date
- Status: opens (with progress shown 25%, 50%, 75%) / closed
- Issue level: escalation requested depending on management involvement required (1 = ASQ or Program buyer; 2= program management 3 = Director Level & functional org. such as commodity or SQC)

A 3rd party web portal may be used to track APQP and PPAP status.
SERIAL PRODUCTION PHASE

The objective during the serial production phase is to maintain world-class suppliers as selected from the panel and developed during the Program.

During the series production phase, supplier’s performances are consolidated and monitored against Faurecia Business and Performance criteria.

EVALUATION OF SUPPLIER QUALITY PERFORMANCE

Faurecia measure the supplier’s quality performance by recording each claim (named Qp) in a Faurecia group level system named QSS (Quality Steering System). Evaluation of supplier performance is done according to following indicators:

- Quantity of “incorrect parts” & PPM
- Number of Complaints (Qp) ; with emphasis on number of PF4 & S/R related complaints
- Supplier reactivity measurement with nb of Qp not closed / closed
- PFx level = The disturbance generated by the failure as defined below
- 4 levels of “perturbation of flow” are stated according to the disturbance generated by the failure:
  - PF1 Disturbance of the supply flow
  - PF2 Disturbance of the production flow
  - PF3 Stoppage of FAURECIA production line
  - PF4 Claim from FAURECIA customer
  - PF4/SR Claim from FAURECIA customer related to a S/R characteristic

A “part” is the unit ordered by the customer/invoiced by the supplier. It can be:
1. A separate part or assembly
2. A collection of parts (e.g., seat or door panel collection)
3. Liquid products: liter, …
4. Sheet and coil material: sheet or unit weight (kilogram, pound, ton, …)
5. Roll deliveries: linear meter, m², …
6. Powder products: kilogram, pound, ton, …
7. Fasteners (Pins, Bolts, Nuts, …): packaging unit
An **incorrect part** is a component, assembly, part, collection of parts or materials identified in the Series Phase as not meeting the quality level approved at the PPAP and/or at any other subsequent agreement with the customer. They include parts with packaging and labelling issues but not missed or late deliveries.

Problems caused by Faurecia personnel or Faurecia designated carriers are not to be taken into account. The same rule applies for problems caused by Faurecia designed packaging under the condition that a formal document has been sent by the supplier to the Faurecia denying any responsibility in case of problem due to this packaging. If not, the Faurecia designed packaging is supposed to be accepted by the supplier.

How to count parts in a packaging unit? (For big containers, the packaging unit is usually the same as the handling unit; for small boxes, the packaging unit is the small box and not the handling unit)

- If an incorrect part is found by the customer in a packaging unit, we count all parts in the packaging unit. If other packaging units are then doubtful:
  - We count all parts in the packaging unit when the packaging unit is sorted by Faurecia.
  - We count only the incorrect* parts when this activity is organized by the supplier in Faurecia premises.
  - We do not count any part if the supplier replaces the packaging unit by a new one.
  - Those rules apply to mislabelled packaging units.
  - In case the parts didn’t necessitate rework as such but a temporary production set up, we count only the parts used to allow for this set up.

**Cases of yard blockages, deviation and warranty returns:**

- We count parts involved in a yard blockage according to customer records.
- We do not count parts for which a formal deviation has been granted and which have not entered the customer facility before the date/time of the formal deviation agreement.
- We do not count warranty returns.
The supplier PPM is based on this “incorrect quantity after sort”. Therefore, to minimize the PPM level, quick reaction from the supplier when facing a batch issue is requested.

**EVALUATION OF SUPPLIER DELIVERY PERFORMANCE**

Faurecia measures the supplier's delivery performance by recording at receiving that **Delivery Time and Quantity** are compliant with the instruction given named **MANIFEST**. The indicator which measures supplier delivery performance is the MPM: **Misdeliveries per Million**. This indicator is defined as:

\[ \text{MPM} = \frac{\text{Nb of lines delivered in the wrong quantity or at the wrong time}}{\text{Total Nb of lines ordered}} \times 1,000,000 \]

**8D PROBLEM SOLVING MANAGEMENT**

When purchased material does not meet standards (e.g. quality, engineering change level, adherence to test specifications, etc.), or last qualified PPAP, a quality claim (Qp) is emitted by Faurecia based on the QSS system.

**SUPPLIER is requested to:**
- submit to Faurecia an **8D document** using the procedure and chapters below to document the problem and prevent its recurrence
- Upload the **8D document** via the Faurecia supplier portal named **GPS** (Global Purchasing System)

**D1: Problem description**
- What is the problem?

**D2: Risks on similar products and processes**
- Do I have same problem elsewhere?

**D3: Containment actions**
- (<24h)
  - How to contain?

**D4: Root cause for non-detection**
- Why sent?

**D5: Root cause for occurrence**
- Why made?

**D6: Corrective action plan**
- (<10days)

**D7: Effectiveness**

**D8: Lessons learned**
- (<60 days)
  - What did we learn.
  - how to capitalize and transversalize?
D1 – Problem Description

5W+2H and Is / is not / Differences (compare Good part/ Bad part)

The essence of the Is / is not / Differences tool is to ask oneself not only why under some circumstances the problem occurs, but also why, under other circumstances, the problem does not occur. And from there, identify differences.

<table>
<thead>
<tr>
<th>Is</th>
<th>Is NOT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retained Factors</td>
<td>N°</td>
</tr>
</tbody>
</table>

Typical questions include:

What? Why this part / this reference and not that one?...
Who? Why Mr. X and not Mrs. Y?...
Where? Why here and not there? Why this process and not that one?...
When? Why today and not yesterday?...
Why? How...
How many? Why more with A than with B?...

Hints

- Assign the appropriate cross-functional team –including experts whenever needed - to address all critical aspects of the problem.
- Go to the real place to really understand the problem.
- Look at the real defective part when available; compare bad parts with good parts.
- Look at reality. Use real data, be precise.
- Prohibit vague, generic problem statements that are the sum of several problems (i.e. ‘high scrap rate’...)
- Is it a recurring problem? If yes, fill in tracking chart prior to problem opening.

IN PRODUCTION:

- Shift / daily ppm figures are not statistically relevant. Rather monitor number of defects. Typically: sent to customer; found at final inspection; created and detected at workstation.
- Is it a reworked part?
- For customer complaints, include an operator in the team.
D2- Risks on Similar Products and Processes

Objective
Identify risks on similar products and processes. To be carried out before step D3 (containment), because such similar products / processes might be impacted by the problem as well and would also need containment actions.

Hints
- Identify all potential scope of problem.
- Are all other products / processes identified with potential volume at risk?

D3 - CONTAINMENT Measures = Actions required within 1 day (24 hours)

Objective
Define the immediate actions to be carried out to protect the customer. They typically include an immediate sorting out of all parts identified as potentially at risk, then a temporary containment (for major claim, a Quality Wall) until definitive, robust countermeasures are in place.

- Report results of all containment actions with Qty Rej/Qty inspected at each step

Tools
Quality Wall check-list

(Location : separated from the line but not too far; part flow clear, red bin available, tally sheet available and defects individually traced; trace part inspected; inspection instruction identical to final inspection; inspectors duly trained)

All 8Ds shall be answered with a short-term solution based on containment.

Containment is a list of actions detailing where and how the SUPPLIER will protect Faurecia from receiving this defect again and shall include, at a minimum:

- Inspection of all finished stock/ ALL parts: Parts in SUPPLIER facilities, parts at Faurecia, parts on truck, parts at the End Customer

Control of material at Faurecia facilities may be performed by SUPPLIER personnel (whenever possible) or by an external firm at Supplier expense. If necessary, Faurecia will assist the SUPPLIER in arranging services from an external firm.

- Update of Supplier's end-of-line inspection procedures and instructions including an evaluation of checklists, methods, gauges, etc.

- Labeling of parts, racks, boxes, etc. of checked parts, clearly marked with the purpose of the extra check and the number of Qp report.

The importance of these containment actions cannot be stressed enough, and the SUPPLIER is expected to implement them IMMEDIATELY upon receipt of the 8D to prevent the release of additional incorrect material into Faurecia process.

Should a pf4 occurs ‘or a new occurrence of the same failure escape SUPPLIER internal containment efforts and arrive at Faurecia, an additional inspection named “Temporary Quality wall” will be required in the form of a formal Containment.

Choice between Containment 1 and 2 depends on the frequency and severity of the failure.

- Containment Controlled Shipment Level 1 (CCS-1) is an additional 100% control station (not the standard end of line check) set up by SUPPLIER at its plant, using own manning. Results shall be sent at a specified interval to the Faurecia plant SQA.

- Containment Controlled Shipment Level 2 (CCS-2) is a second additional 100% control station (additional to the already existing CCS-1) by using of an external 3rd Party company to inspect for non-conforming parts. 100% of parts shall pass through this inspection prior to delivery to Faurecia plant. Supplier Plant Manager and Quality Manager shall sign CCS-2 documentation.

Containment action shall continue until SUPPLIER has shown its process capable of providing products according to specification and the pipeline is clean from any non-conformance. Once imposed, neither CCS-1 nor CCS-2 will be lifted until zero defects have been found for the length of time specified by relevant Faurecia representative at start. To stop this CCS-1 and/or CCS-2, a process audit could be performed.
D4 - Root causes of non-detection

**Root Cause** of non detection must be specially documented.
Human Error is not and never has been an acceptable reply! Where human error is unavoidable, controls must be in
place to prevent the defect from leaving SUPPLIER plant.

This item is rarely documented; please don’t forget (same rules as D5; suggest use of FICS; refer below)

### D5 – Root Cause Occurrence

**Preliminary check-list**
- Control Plan and FMEA’s checked?
- OK 1st part done properly? Poka Yoke/process parameters checked?
- Operators trained and standardized work followed?
- [Development] Product-process standards used?

**Objective**
Identify likely causes why the problem was not detected where or when it was created, then validate them.
R&R forms.

**FICS (Factor Investigation and Compliance to Standard) analysis:**

- Difference between bad parts and good parts, what is the standard?

  Examples of non-detection factors in production: inspection means, visual Inspection within standardized work, information
availability, training, rework, inspection flow, workstation lighting, ergonomics, NOK parts identification, traceability, Poka yoke, people
availability, cycle time...

<table>
<thead>
<tr>
<th>Factor</th>
<th>Control Point</th>
<th>Standard</th>
<th>REAL situation</th>
<th>Investigation Plan to validate / eliminate factor</th>
<th>Factor validated?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>NOK parts</td>
<td>Investigation Action</td>
<td>Responsible / Deadline</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>OK parts</td>
<td>Separate investigation actions from Corrective actions</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>OK vs. Std?</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Std OK?</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tools</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>FICS –Factor Investigation and Compliance to Standards (mandatory)</td>
<td></td>
</tr>
<tr>
<td>Validation of likely causes (mandatory) See QRQC</td>
<td></td>
</tr>
<tr>
<td>5 why’s (mandatory)</td>
<td></td>
</tr>
<tr>
<td>Gage R&amp;R (if necessary) See the continuous and discrete gage</td>
<td></td>
</tr>
</tbody>
</table>

### 5 why’s

Once technical root cause of non-detection is found, do 5 why’s to drill deep into real management / organizational root causes

**Real situation**

<table>
<thead>
<tr>
<th>Does reality (good parts, bad parts) comply with the identified standard for the considered factor?</th>
<th>Yes</th>
<th>O,</th>
</tr>
</thead>
<tbody>
<tr>
<td>Possible answers:</td>
<td>no</td>
<td>X,</td>
</tr>
<tr>
<td>Is the standard relevant (existing, updated, clear…)?</td>
<td>doubt</td>
<td>Δ</td>
</tr>
</tbody>
</table>

If relevant, attempt to reproduce non-detection.
Validate root causes of non-detection before root causes of occurrence.
Make sure your measurement / inspection process is validated. Possibly carry out a gage R&R test.
Once technical root cause of non-detection is found, do 5 why’s to drill deep into real management / organizational root causes

**OK Real?**  Do all real data (NOK parts and OK parts) meet standard? Yes => O; No => X; doubt (ex: can not be sure) => Δ

**OK Std?**  Is standard updated? Clear? No contradictory with other standard? No defective part produced when standard is met?

**Factor validated?**  To record whether factor is a real cause. Problem can not be reproduced => O; Problem reproduced => X; Doubt => Δ

**Completion check-list**

Can you prove logically what is (are) the root cause(s) for occurrence?
What is the management / organizational root cause?
D6 - Corrective Actions > required within 10 working days: definition of permanent actions

The 8D shall be updated with long-term solution. This means:

1) a statement of root cause for both NON DETECTION (how it escaped Supplier process) and NON CONFORMANCE (how the failure occurred)
2) A description of containment actions taken
3) The definition of permanent actions

- Where immediate implementation of the long-term solution is not possible, an Action Plan shall be provided including due dates for each item. An updated copy of this plan showing progress made shall be sent to Faurecia on a weekly basis (or as otherwise agreed), until all items are complete with proven capability of the long-term solution.

D7 - Verify Corrective Actions

Objective
Check effectiveness / robustness of D6 actions on selected indicators.

Tools > Tracking chart.

Hints
When using QRQC board, highlight on tracking chart the implementation date of corrective action and to see its effect on selected indicators.

<table>
<thead>
<tr>
<th>Actions</th>
<th>Verification mode</th>
<th>Pilot</th>
<th>Deadline</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effectiveness of corrective actions confirmed by indicators?</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Is detection effective? (simulate defect to test detection)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No recurrence for one month? (after action plan is completed and containment removed. Mandatory for S/R issues and customer complaints)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operators trained in all shifts?</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Can they correctly describe the changes?</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Do corrective actions prevent defect creation?</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Identify definitive changes to make sure the problem will never occur again, anytime, anywhere (where problem happened, in the whole site, in other sites and for future developments).

D8 –Lessons Learned

Objective

Tools
- Control plan, Workstation instructions & documents and any other standard to be updated.
ESCALATION IN CASE OF POOR SUPPLIER PERFORMANCE

In case of repetitive defects, the escalation process leads to entry in a Red List followed by either Supplier Performance Review or by Special audit.

1) Special Audit at supplier
- Confirm "Capitalization & Transversalization of 8D" in 1-hour meeting (by using 8D checklists)
- Perform special audit "20 Questions on Control Plan" in 2 hours at shop floor
- If result is not acceptable, repeat process next month

2) Supplier Performance Review at Faurecia
Attendees: Supplier General Manager; Quality Mgr, Key Account Mgr
Process:
- Current Performance indicators
- 8D presentation on each key Problem
- "Progress Plan" including estimated Quality level after implementation of all the actions
- Open points
- Next steps & conclusion

---

### Escalation Process

- **Purchasing**
  - Level 4: BG SQD Mgr
  - Level 3: SQD Region
  - Level 2: Plant SQA
  - Level 1: Goods Incoming Inspection

- **Escalation Process**
  - Monitoring global quality performance (actions prioritised according to the Red List)
  - Alert quality (crisis management)
  - Supplier process audit Level 2
  - Weekly Communication
  - Monitoring plant quality performance
  - Reinforce Daily POCA by 8D
  - Supplier process audit Level 1
  - Audit based on 20 questions of Control plan

- **Plant Quality**
- **Technical perfection, automotive passion.**

### Table:

<table>
<thead>
<tr>
<th>Issue</th>
<th>Question</th>
<th>Level 4 Expectation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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## FAURECIA_SUPPLIER_REQUIREMENTS_MANUAL_FAU-C-SPG-4030-EN-6b Page 30 sur 39
COST RECOVERY POLICY:

Suppliers are liable for all costs incurred by Faurecia when the cause is the supplier’s responsibility. Applicable charge backs to external suppliers are outlined below by some examples and indicative values (these values are finalized with the Supplier in the QAA (Quality Assurance Agreement)):

<table>
<thead>
<tr>
<th>Administrative charge</th>
<th>150 Euro per complaint in West Europe, or equivalent local rate in local currency. (this administrative charge may be multiplied by a certain factor in following cases: x 2 if reoccurrence of the same problem x 2 if no appropriate answer to the 8D process according to the D3, D6, D8 delays outlined in the § 8D Problem Solving Management)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating costs of protective measures;</td>
<td>33 Euro / hour in West Europe, or equivalent local rate in local currency</td>
</tr>
<tr>
<td>- extra incoming inspection &amp;</td>
<td>Or contractor 3rd Party costs directly charged to the Supplier</td>
</tr>
<tr>
<td>- sorting of parts (Suspect Material In-House, at Customer Location or Third Party Warehouse and Contractor Costs), repackaging</td>
<td></td>
</tr>
<tr>
<td>- destruction/disposition of scrap</td>
<td></td>
</tr>
<tr>
<td>Rejects of completed and/or semi-finished products</td>
<td>Real costs (product)</td>
</tr>
<tr>
<td>Costs incurred in the downstream operation stage or third party claims</td>
<td>Based on real costs + handling charge (10%)</td>
</tr>
<tr>
<td>- retrofit of sub-assemblies or vehicles</td>
<td></td>
</tr>
<tr>
<td>- production &amp; machine downtime</td>
<td>@ standard machine rate</td>
</tr>
<tr>
<td>- staff costs associated</td>
<td>55 Euro / hour in West Europe, or equivalent local rate in local currency</td>
</tr>
<tr>
<td>- lost production time &amp;</td>
<td>Based on direct + indirect labour of the stopped line</td>
</tr>
<tr>
<td>- overtime to avoid production interruption</td>
<td></td>
</tr>
<tr>
<td>- transportation costs; premium freight costs including air charter if required</td>
<td></td>
</tr>
<tr>
<td>- travels and extra-trip to customer</td>
<td></td>
</tr>
<tr>
<td>- claims charged by the customer</td>
<td></td>
</tr>
<tr>
<td>- costs of an expert and outside lab testing</td>
<td></td>
</tr>
</tbody>
</table>

PRODUCT / PROCESS & PRODUCTION CHANGE REQUESTS (PCR):

- Supplier must propose any change information using the PCR form and must request approval in writing from Purchasing and all Faurecia receiving facilities
- Faurecia Purchasing and all receiving facilities must approve all changes in advance,
- Samples may be required for review and to evaluate potential impact on Faurecia’s manufacturing processes.
- Submission for PPAP approval is mandatory prior to the shipment of the “new” parts (or from new location) unless specifically waived,
- After Faurecia written approval, the first delivery with “new” parts must be identified
- The tool move plan must include the requirements of a production bank if necessary to ensure Faurecia’s Production and Service requirements are not affected.
- The change has also to be communicated to PC&L Plant for assessing feasibility (new product in Information System, taking care of all existing stock, update Supplier Logistics Agreement, schedule last delivery old product, first delivery - receipt of new product)
EXTENDED SHUTDOWN / START-UP AUDIT:

Faurecia Purchasing and ALL receiving Faurecia facilities must be notified in writing prior to an extended production shutdown and must submit a completed audit at restart. Examples of extended shutdown/start-up periods include Customer change-over, scheduled preventative maintenance for Tooling, Machinery or Processes or the anticipation of a work stoppage due to Union Contract Negotiations.
WARRANTY MANAGEMENT

This addendum sets forth the method for the handling and settlement of costs incurred from the delivery of defective goods by Suppliers to Faurecia. The basic method of recourse is the application of the principle that the party supplying the defective goods shall be responsible for costs associated with all (supplier fault) warranty related complaints, costs and expenses. The purpose of the warranty process is to provide for the pass-through of all warranty costs from OEM to the supplier that has provided the defective goods.

1. Supplier Organization:
   - All suppliers shall establish and maintain resources to support Faurecia warranty requirements. Suppliers shall also appoint a warranty engineer as a single point of contact to Faurecia for warranty support, issue tracking and product improvement.
   - The required Response time frame is as follows:
     o An initial response to a critical problem (essentially the containment action/8D report: Steps 1 to 3) is required within 24 hours of receipt from Faurecia.
     o A 5-Why analysis for ascertaining root causes and verification is required to be completed as part of the 8D process.
     o 8D final response (with verified complete root cause analysis / 8D report: Steps 4 to 6) is required within 15 calendar days of receipt from Faurecia.

2. Management Requirements / Quality Procedures
   - All suppliers shall provide a Warranty Procedure and Flow Chart documenting the system for control, analysis and corrective action integration into the production process.
   - The procedure shall include regularly scheduled warranty part reviews for emerging warranty issues. Faurecia will notify supplier warranty designates in advance, when their participation is needed in such reviews.
   - If suppliers fails to respond within Faurecia required time frame (24 hours for critical issues for section 1 of the 8D report and/or 10 working days for full root cause and final corrective action for section 2 and 3 of the 8D), supplier will be deemed to have accepted the warranty claim and all warranty costs received from OEM and all other costs and expenses of Faurecia will be the sole responsibility of the supplier.

3. Warranty Parts Return
   - Faurecia receives only a small sampling of the parts replaced by dealers. Within two weeks after receiving warranty parts from an OEM customer, Faurecia shall make available to the Supplier the warranty parts received, if any, with copies of all available documentation (as provided by the OEM customer) for traceability, investigation and corrective action purposes.
   - Faurecia together with our OEM customer performs part pre-analysis and defines possible factors, recognition of responsibility and causes for customer complaints during warranty review meetings. This is done by examining the parts, reviewing dealer service comments, records and part tags attached to each returned part.

4. Warranty Parts Review, Containments and Problem Solving
   - Upon receipt of a warranty claim, suppliers shall respond within the specified me limits, utilizing only the array of available responses as set forth below:
     - **Category 1:** Responsibility of Supplier (Sample provided by FAU Supplier)
     - **Category 2:** Trouble Not Found TNF (Sample provided by FAU Supplier)
     - **Category 3:** Responsibility of Dealer and/or Customer

Reporting Tool – 8D and Required Response Time Frame
   - Supplier will undertake to receive and respond to an 8-D Problem Action report which is the official communication tool for reporting and resolving problems.
4.1. Category 1: Responsibility of Supplier
- Warranty part analysis results and actions shall be documented using the Faurecia standard 8-D format. This format is also utilized to monitor the effectiveness of corrective actions over time by each component.
- Implementation of a testing process to verify actual root cause and determine corrective action for dealer claims is required of Faurecia by our OEM customers and must therefore be pass-thru to our suppliers as well.
- The Supplier shall keep all provided parts received as warranty for a period of 6 weeks from issue notification date.

4.2. Category 2: TNF: Trouble Not Found
- If TNF status is declared in the 8-D process, suppliers must clearly describe and document with data, how they arrived at this conclusion. In other words, TNF status in the warranty analysis process must follow systematic elimination of potential root cause factors. TNF typically describes a scenario whereby testing indicates the returned part meets Faurecia and/or our customer part and performance requirements as defined in purchase orders, PPAP and warranty terms and agreements.
- Examples include: additional levels of testing, development of new test procedures, simulation of customer usage, verification to all applicable specifications, etc.
- In some cases when the defect is proven at the customer, a compromise may have to be reached between Supplier, Faurecia, and Customer (shared % responsibility )

4.3. Category 3: Responsibility of Dealer and/or Customer
- When the supplier investigation has determined the defect to be Dealer or Customer mis-use, suppliers need to provide all supporting documentation for approval of this category.

In the event that Faurecia disagrees with a supplier response, Faurecia will give timely notice of its objection. Should Faurecia decline a submitted response the supplier will be asked to amend it. A rejected supplier response where the parties do not agree as to content effectiveness, shall not be binding upon Faurecia. The supplier shall retain the affected components until the issue is resolved in a positive manner; such that Faurecia customers will concur with our suppliers root cause and corrective action analysis, including supporting documentation.

5. Warranty Analysis Resources
- Suppliers shall have proper equipment (commensurate with products, services and processes provided to Faurecia) or outside resources available when needed for warranty part conformance testing. This applies to all components, systems and vehicle requirements relative to the warranty issue under investigation.
- At Supplier’s cost, supplier shall conduct all components level testing (inside/outside laboratories) and analysis of warranty returned parts within the Faurecia required time frame. For system level testing, Faurecia and Suppliers shall work together in good faith to determine the best testing method. Each party will absorb their own testing cost.

6. Implementation of Lessons Learned
- Suppliers shall incorporate Lessons Learned from warranty analysis into their processes.
- Suppliers shall produce a process/procedure outlining the use of Lessons Learned in the development of new products.
- The procedure shall include problem resolution, reporting of current issues, and how they are captured for future product development.
- All Lessons Learned shall be part of the 8-D report (Customer and/or Faurecia BD & LL format)
- A Lessons Learned database is recommended for suppliers.

7. Technical Support
- Suppliers at their cost shall provide technical expertise for the review of Service Manuals, Service Bulletins, Service Repair Tips / Repair Catalogues, etc.
- Suppliers shall assist in the development of service fixes as needed for warranty issue resolution/closure as it pertains to products and services provided.

8. Warranty Terms and Conditions & Recovery Cost - Charge-back to Suppliers
- All of the associated warranty claim costs for Category #1 failures as noted above will be DEBITED to the responsible Supplier.
- The terms of the supplier warranty granted to Faurecia will be not less than the coverage provided by OEM manufactures to their end customers.
- Note: Warranty coverage for purposes of determining OEM coverage starts from the date of delivery to the end-customer.
- In the event of an extension of the contractual warranty given by Faurecia to its Customer, Suppliers shall grant the same corresponding extension to Faurecia.

8.1. Warranty Terms and Conditions
Indicative only, refer to your counterpart for most recent updates on warranty T&C
<table>
<thead>
<tr>
<th>Customer</th>
<th>Period of Time</th>
<th>Coverage in Miles</th>
<th>Warranty Cost</th>
<th>Charge-back Agreement by Customer</th>
<th>Warranty Requirements by Customer</th>
</tr>
</thead>
<tbody>
<tr>
<td>BMW USA, Canada and Puerto Rico</td>
<td>5 years</td>
<td>70,000 miles</td>
<td>Monthly and Year-end deductions by the Customer</td>
<td>14x Factor for the US markets</td>
<td>BMW GS-95004</td>
</tr>
<tr>
<td>BMW Europe and (Non US, Canada and Puerto Rico)</td>
<td>3 years</td>
<td>100,000 Km</td>
<td>Monthly and Year-end deductions by the Customer</td>
<td>28x Factor for the US markets</td>
<td>BMW GS-95004</td>
</tr>
<tr>
<td>Chrysler / Fiat</td>
<td>3 years</td>
<td>36,000 miles</td>
<td>Monthly Deductions</td>
<td>Technical Factor</td>
<td>Chrysler ADP</td>
</tr>
<tr>
<td>Ford</td>
<td>3 years</td>
<td>36,000 miles</td>
<td>Monthly Deductions</td>
<td>Technical Factor</td>
<td>Ford SIMS</td>
</tr>
<tr>
<td>General Motors</td>
<td>3 years</td>
<td>36,000 miles</td>
<td>Monthly Deductions</td>
<td>Technical Factor</td>
<td>GM Warranty</td>
</tr>
<tr>
<td>Mercedes Benz</td>
<td>4 years</td>
<td>50,000 Miles</td>
<td>Monthly Deductions</td>
<td>Technical Factor</td>
<td>Mercedes Benz Warranty</td>
</tr>
<tr>
<td>Nissan</td>
<td>3 Years</td>
<td>36,000 miles</td>
<td>Monthly Deductions</td>
<td>Technical Factor</td>
<td>R-M Warranty</td>
</tr>
<tr>
<td>Renault</td>
<td>3 Years</td>
<td>36,000 miles</td>
<td>Monthly Deductions</td>
<td>Technical Factor</td>
<td>R-M Warranty</td>
</tr>
<tr>
<td>Volkswagen (USA &amp; Canada)</td>
<td>4 years</td>
<td>70,000 miles</td>
<td>Monthly Deductions</td>
<td>Technical Factor</td>
<td>VW Warranty</td>
</tr>
<tr>
<td>Volkswagen (Non US &amp; Canada)</td>
<td>3 years</td>
<td>100,000 Km</td>
<td>Monthly Deductions</td>
<td>Technical Factor</td>
<td>VW Warranty</td>
</tr>
</tbody>
</table>

9. WARRANTY COST

- In the event that the Supplier delivers defective components, the supplier shall indemnify Faurecia against all expenses and costs incurred by Faurecia.
- Faurecia reserves the right to set off its payment obligations against any amount which might be owed by the Supplier, on any grounds and of any nature whatsoever, including amounts corresponding to penalties and quality claims.
- In the event the products do not conform to the warranties granted to Faurecia, Faurecia may, without prejudice to Faurecia’s right to claim for damages, charge the Supplier with, and the Suppliers undertakes to bear, all and any repair or replacement costs reported by the OEMs.
- Faurecia shall make available to the Supplier the Charge-back warranty data (as provided by each customer).
- The warranty provisions set forth herein supplement the Faurecia Terms and Conditions of purchasing. The full warranties granted by suppliers are set forth in Terms and Conditions of Purchasing of Faurecia.

The Faurecia warranty claim has the following five (5) basic elements, which represent the expense to the vehicle incurred by our OEM customer:

- **(a) Labor**: The standard repair time to replace or repair a failed part, based on the OEM vehicle guide, multiplied by the average labor rate.
- **(b) Parts**: Replacement parts purchased by Dealerships.
- **(c) Parts Handling**: Charge for administration, shipping and handling of defective parts.
- **(d) Sublet**: Repairs or services provided by a third party (i.e.: machine shop, paint shop, etc.)
- **(e) Indirect Cost**: CONSEQUENTIAL DAMAGES caused to other components as results of the defective part. CONSEQUENTIAL DAMAGES included also the cost for mobility (i.e.: loaner cars).

The foregoing elements illustrate the typical costs related to the repair and replacement of a defective component and are not an exhaustive list of the costs incurred with a warranty claim for which the supplier will be liable. Faurecia’s rights are more fully set forth in the Faurecia Terms and Conditions of Purchasing and this document is intended to supplement such Terms and Conditions.
Code of Conduct Sourcing & Supply Chain

Background
Faurecia, a global automotive supplier, is committed to growth founded on socially-responsible actions and behaviors in all countries in which it operates and in all fields in which it does business. Faurecia is committed to adhere to the principles based on the Universal Declaration of Human Rights, the international Labour Organization’s (ILO) Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development and the United Nations Convention Against Corruption. These commitments have been reiterated in the corporation’s “Code of Ethics and Rules of Business Conduct”. This charter is regularly updated and is available on the Faurecia website. The charter puts forward a common set of key references. Each individual, from top executives to all employees, must comply with it in all circumstances. Furthermore, on a specifically environmental level, Faurecia has a product development strategy to reduce the emissions and environmental impact of cars. Faurecia expects its suppliers to support a sustainable approach throughout a vehicle’s lifecycle. Faurecia intends to make these principles key elements of its purchasing policy.

Application
Within the framework of invitations to tenders, Faurecia considers social, environmental and fair economic business principles as key elements in business award decision, both for new and existing suppliers. Supplier compliance with standards that match our own as outlined below is of utmost importance for Faurecia. Faurecia reserves the right to carry out, at any time, audits at Supplier’s premises, by Faurecia or by a third party appointed by Faurecia, in order to verify conformance of the Supplier’s practices with the Faurecia requirements.

Faurecia Code of Conduct Sourcing & Supply Chain:

Commitments
1. Obey the Law
Suppliers must respect and comply in all areas with the laws and regulations in force in all of the countries in which it operates and/or sells. When legislation is lower than the international standards outlined below, suppliers are still required to converge to these latest standards.

2. Responsible Supply Chain Management
Suppliers should prevent any contravention of human rights and prevent or mitigate environmental impacts that its enterprise may cause or contribute to through its own activities, or which may be directly linked to its operations, products or services by its business relationships.

3. No Child Labour
Suppliers are prohibited from employing children in violation of the stipulations of the International Labour Organisation’s convention (ILO Convention n° 138, 182). The minimum age for employment shall be the country legal minimum age, or the age for completing compulsory education in that country, whichever is higher. In any case, suppliers will not employ children under the age of 16, and will comply with the provisions of the ILO regarding the health, safety and morality of young people aged between 15 and 18. As an example,

Labour & Social Policies

Suppliers should carry out human rights and environmental assessments, in order to identify, prevent, mitigate and account for how they address their potential adverse impacts. Suppliers shall apply this code throughout its own supply chain.

Buy Beyond
but not limited to, suppliers should ensure workers younger than 18 do not exceed the prescribed working hours within the countries it operates.

4. No Forced Labour
Suppliers must not, under any circumstances, resort to forced or compulsory labour. Forced or compulsory labour is any work or service which is forced upon any person under the menace of a penalty and which the person has not entered into of his or her own free will. Forced labour can include practices such as restricting people's movement; withholding wages or identity documents to force them to stay on the job; or entangling them in fraudulent debt or wage deductions from which they cannot escape; or developing their dependency of in-kind payments; or deprivation of food, shelter or other necessities; applying compulsory overtime; or loss of social status; etc. (see ILO Conventions n° 29, 105). Suppliers should ensure that workers understand their rights with regard to payment of wages, overtime, retention of identity documents, etc. Migrant workers, workers who are part of a group that has suffered from long-standing discrimination, young people & unskilled or illiterate workers, and women among these groups, constitute populations which may not be aware of their legal rights. Therefore suppliers will ensure that they are treated fairly and their rights are respected. In the case workers are recruited by third parties, suppliers will pay particular attention that these principles are properly applied.

5. Working Hours
Working hours (including overtime), as well as break times and periodic days off, shall be compliant with applicable laws & regulations, collective-bargaining agreements and international conventions. Overtime work should be voluntary and paid as such. Work or service outside normal daily working hours shall not be imposed by exploiting a worker's vulnerability under the menace of a penalty. For example, employers shall not set performance targets that result in an obligation to work beyond normal working hours because of the worker's need to be able to earn the minimum wage.

6. Fair Wages
Suppliers shall comply with all applicable laws and regulations, including those relating to minimum wages, overtime hours and legally mandated benefits. In places where no legal requirement exists for defining a minimum wage, ILO Convention n° 131 can serve as a basis for the definition. Workers must be paid in a fairly and timely manner, and the basis on which workers are being paid must be clearly conveyed.

7. Non-Discrimination and Equal Remuneration
Suppliers must not discriminate against any worker based on race, color, 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 (see ILO Convention n° 100, 111).

8. Freedom of association
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 representatives of such personnel are not the subject of discrimination and that such representatives have access to their members in the workplace as well as adequate working space in order to work effectively and without interference (see ILO Convention n° 98, 87). Where the right to freedom of association and collective bargaining is restricted under law, suppliers should provide workers a parallel mechanism to make their views known to the management, and take those into consideration.

9. Health and Safety
Suppliers shall ensure that the health and safety (H&S) risks to their policyholders, employees, contractors and members of the public which arise from its operations are reduced as far as is reasonably practicable. We require 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. Accordingly, its chosen contractors or suppliers are expected to demonstrate a clear commitment to Health and Safety Management and that they maintain effective policies and procedures. The social impact of accidents can be incalculable and may indicate a weakness in H&S controls and training. We therefore consider the incidence of accidents together with reactive monitoring very seriously and require full disclosure of statistics. Suppliers shall then provide Faurecia their H&S indicators, risk assessment and associated H&S improvement plan, if requested. Suppliers shall adopt a continuous improvement approach, based on the collection and analysis of occupational incident and accident data and feedback. Suppliers shall also respect workers rights of participating in such activities and H&S decisions.

Faurecia believe that employee involvement is critical to the success of an organization and this principle applies as strongly to H&S Management. We expect that suppliers will have provided training to its employees and anyone else impacted by their activities, where the details may include training in use of work equipment; manual handling; risk assessments; fire safety, emergency response and preparedness; first aid; personal protective equipment and training relevant to the particular health and safety risks relevant to or created by that organization's operations. Suppliers should ensure the provision and maintenance of protection equipment, at no cost to the workers. Under the hierarchy of control measure personal protection equipment is deemed the last line of defense and as such must offer the necessary protection against foreseeable hazards.
Environment

10. Environment

Environmental Policy: Suppliers shall not only comply with all environmental laws and regulations, but also implement measures contributing to the protection of the environment. Therefore, they should strive to minimize the adverse environmental impact of their products and services during the whole product life cycle: conception, development, production, use, and disposal or recycling. To this end, we encourage the supplier to be ISO 14001 certified or equivalent.

Innovation & product life cycle: Faurecia is particularly attentive to bringing to market, in all countries, vehicles with better standards of environmental performance and endeavors to research and promote innovative technical solutions contributing toward this. Consequently and if applicable, Suppliers commit to adopt a voluntary policy in the field of research in order to develop its products to achieve an ever-higher standard in terms of respect for the environment.

Suppliers are expected, not only to consider the environmental impacts of their products during their design phase, but also in their production & procurement processes as well.

Natural resources preservation: Suppliers should be focus on reducing the use of raw materials and resources as well as to eliminate the waste produced by all its activities. This goal will be achieved through the improvement of production, maintenance and cleaning processes, modes of conservation and transportation, as well as the substitution, re-use and recycling of materials, design, process changes, innovations, etc.

Prohibited substances and materials: Products or parts bought from Suppliers by Faurecia, whether they are standard or specifically-developed by the Suppliers for Faurecia, must not contain any product, material or substance prohibited by the legislation or regulations applicable in the Suppliers’ countries, the European Union and, more generally, in all of the countries in which these supplies, products or parts are used and should be validated beforehand by Faurecia. Therefore Suppliers must address the European REACH procedures or its national / international equivalent, such as the American Toxic Substance Control Act (TSCA). Faurecia may also, in some cases, ask its supplier to provide disclosure on the use and provenance of certain substances and materials for legislation and regulations compliance purpose. As an example, to be compliant with US Conflict minerals legislation, suppliers could have to disclose whether the products they manufacture or contract to manufacture contain “conflict minerals”, which means minerals that directly or indirectly finance or benefit armed groups in specific countries.

CO2 emission reductions: The Suppliers shall promote the development of technologies limiting CO2 emissions as well as energy saving and recycling solutions, and implement logistic strategies that minimize environmental impact.

Economic practices

11. No Corruption & Bribery

Suppliers shall prevent and fight all forms of corruption, bribery, extortion and improper advantage, and comply with all applicable laws pertaining to these issues. Suppliers should not, directly or indirectly, offer, promise, give, demand or accept any bribe or other undue advantage, to Faurecia employees, public officials or other private or public actors, with the intention to obtain or retain business or any other improper advantage. Suppliers should develop and adopt adequate internal controls, ethics and compliance programmes or measures for preventing and detecting bribery. These may include promoting employee awareness of the company policies against bribery and a system of financial and accounting procedures, reasonably designed to ensure the maintenance of fair, transparent and accurate books, records, and accounts.

12. Fair Business Practices

Suppliers shall strive for fair business practices, and in any case suppliers must comply with all applicable laws and regulations related to fair competition. Suppliers shall also commit to communicate its financial health, on business activities, evolution and forecast to business stakeholders. A conflict of interest exists when an employee or a close relative liable to benefit personally from a transaction involving a company in the Faurecia group. Conflicts of interest shall be addressed by avoiding, identifying and revealing situations where there is an actual risk of conflict of interest in association with Faurecia employees or their relatives. Faurecia has strict policy as for the acceptance of gifts and gratuity from suppliers, for details please refer to “Code of Ethics and Rules of Business Conduct”.

CO2 emission reductions: The Suppliers shall promote the development of technologies limiting CO2 emissions as well as energy saving and recycling solutions, and implement logistic strategies that minimize environmental impact.
### APPENDIX 1: GLOSSARY

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>8D</td>
<td>8 Disciplines methodology</td>
<td>In problem solving</td>
</tr>
<tr>
<td>APQP</td>
<td>Advanced Product Quality Planning</td>
<td></td>
</tr>
<tr>
<td>ASQ</td>
<td>Advanced Supplier Quality</td>
<td>In Programs</td>
</tr>
<tr>
<td>BOP</td>
<td>Bought Out Part</td>
<td>F: Pièce Ouvrée Exterieure</td>
</tr>
<tr>
<td>CCS1</td>
<td>Containment Controlled Shipment Level 1</td>
<td></td>
</tr>
<tr>
<td>CCS2</td>
<td>Containment Controlled Shipment Level2</td>
<td>additional 100% control by Supplier at its plant</td>
</tr>
<tr>
<td>FES</td>
<td>Faurecia Excellence System</td>
<td></td>
</tr>
<tr>
<td>ECO</td>
<td>Engineering Change Order</td>
<td></td>
</tr>
<tr>
<td>ECR</td>
<td>Engineering Change Request</td>
<td></td>
</tr>
<tr>
<td>EDI</td>
<td>Electronic Data Interchange</td>
<td></td>
</tr>
<tr>
<td>ePPAP</td>
<td>3rd party Web Portal for PPAP documentation interface with Supplier</td>
<td></td>
</tr>
<tr>
<td>FF</td>
<td>Free Format</td>
<td></td>
</tr>
<tr>
<td>FES</td>
<td>Faurecia Excellence System</td>
<td></td>
</tr>
<tr>
<td>FICS</td>
<td>Factor Investigation and Compliance to Standard</td>
<td>problem solving technique</td>
</tr>
<tr>
<td>FIFO</td>
<td>First In, First Out</td>
<td></td>
</tr>
<tr>
<td>FMEA</td>
<td>Failure Modes and Effects Analysis</td>
<td>Risk analysis to avoid failure in series</td>
</tr>
<tr>
<td>GPS</td>
<td>Global Purchasing System</td>
<td>IT “supplier portal” application used to interface with suppliers (Profile, RFQ, Certification, 8D upload…)</td>
</tr>
<tr>
<td>HSE</td>
<td>Health, Safety and Environment</td>
<td></td>
</tr>
<tr>
<td>IMDS</td>
<td>International Material Data Sheet</td>
<td></td>
</tr>
<tr>
<td>IOD</td>
<td>Issues de l’Outillage Définitif</td>
<td>First parts from a series process = Off-tool parts</td>
</tr>
<tr>
<td>IS</td>
<td>Initial Samples</td>
<td>F: Echantillons Initiaux</td>
</tr>
<tr>
<td>ISO</td>
<td>International Standard Organization</td>
<td></td>
</tr>
<tr>
<td>KCC</td>
<td>Key Control Characteristics</td>
<td></td>
</tr>
<tr>
<td>KPC</td>
<td>Key Product Characteristics</td>
<td></td>
</tr>
<tr>
<td>KPI</td>
<td>Key Performance Indicator</td>
<td></td>
</tr>
<tr>
<td>LOP</td>
<td>List of Open Points</td>
<td>Open issues list</td>
</tr>
<tr>
<td>MOB</td>
<td>Make Or Buy</td>
<td></td>
</tr>
<tr>
<td>MPM</td>
<td>Mis-deliveries per Million</td>
<td></td>
</tr>
<tr>
<td>MPT</td>
<td>Mass Production Trial</td>
<td></td>
</tr>
<tr>
<td>MSA</td>
<td>Measurement Systems Analysis (from ISO/TS 16949)</td>
<td></td>
</tr>
<tr>
<td>PCR</td>
<td>Purchased Part Change Request</td>
<td>Form to be used by supplier for communication</td>
</tr>
<tr>
<td>PDCA</td>
<td>Plan Do Check Act</td>
<td></td>
</tr>
<tr>
<td>PF</td>
<td>Perturbation of Flow</td>
<td></td>
</tr>
<tr>
<td>PF4</td>
<td>Disturbance of flow level 4, i.e. any disturbance to Customer’s production leading to a claim from the Customer’s production line (such as rejection, sort-out, stoppage production line) for which the supplier is held responsible.</td>
<td></td>
</tr>
<tr>
<td>PMS</td>
<td>Program Management System (acronym anglais retenu)</td>
<td></td>
</tr>
<tr>
<td>PPAP</td>
<td>Production Part Approval Process</td>
<td></td>
</tr>
<tr>
<td>PPM</td>
<td>Parts Per Millions</td>
<td></td>
</tr>
<tr>
<td>PSW</td>
<td>Part Submission Warrant</td>
<td></td>
</tr>
<tr>
<td>QAA</td>
<td>Quality Assurance Agreement</td>
<td>QSV in Germany</td>
</tr>
<tr>
<td>QCD</td>
<td>Quality Cost Delivery</td>
<td></td>
</tr>
<tr>
<td>Qp</td>
<td>Quality Problem</td>
<td>Quality claim entered in QSS</td>
</tr>
<tr>
<td>QRCI</td>
<td>Quick Response Continuous Improvement (named QRQC previously)</td>
<td>Team, gemb a problem solving</td>
</tr>
<tr>
<td>QSS</td>
<td>Quality Steering System</td>
<td>IT application collecting quality data – access from Group Intranet.</td>
</tr>
<tr>
<td>REACH</td>
<td>Registration, Evaluation, Authorisation and Restriction of Chemicals</td>
<td></td>
</tr>
<tr>
<td>SES</td>
<td>Supplier Excellence System</td>
<td></td>
</tr>
<tr>
<td>S/R</td>
<td>Safety/Regulation</td>
<td>SRC Safety Regulation Characteristics</td>
</tr>
<tr>
<td>SC</td>
<td>Special Characteristics (also Key Characteristics)</td>
<td>Those retained as part of the control plan</td>
</tr>
<tr>
<td>SOP</td>
<td>Start Of Production</td>
<td>F: Demarrage série (DMS)</td>
</tr>
<tr>
<td>SOW</td>
<td>Statement of Work</td>
<td>Description of work packages responsibilities between Parties (OEM, Faurecia, Supplier, sub-suppliers)</td>
</tr>
<tr>
<td>SQ&amp;A</td>
<td>Supplier Quality &amp; Development</td>
<td></td>
</tr>
<tr>
<td>SQA</td>
<td>Supplier Quality Assurance (acronym anglais retenu)</td>
<td>In plant</td>
</tr>
</tbody>
</table>