

Global Supplier Manual Appendix D – Daimler AG Customer Specific Requirements for Suppliers

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SMR Global Supplier Manual - Additional Customer Specific Requirements

Scope of this document:

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

Responsibility:

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

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

1.0 Customer – Specific Requirements (IATF16949 section 4.3.2)

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

2.0 Quality Management System Documentation (IATF16949 section 7.5.1.1)

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

3.0 Record Retention (IATF16949 section 7.5.3.2.1)

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

4.0 Customer – Designated Special Characteristics (IATF16949 section 8.2.3.1.2)

Supplier shall meet the requirements of MBST 13/19, section 5, paragraph 9:

In deviation from VDA Volume 2, the following requirements apply to the DS/DZ characteristics specified in the specification documents (e.g. drawings, CAD data records):

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

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

Supplier shall meet MBST 14/07, section 5, paragraph 4,5, 6 and 7:

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

If a product feature cannot be demonstrated with process capability figures, e.g. for specific processes (e.g. welding, heat treatment, casting), proof must be provided by way of secondary features and/or a 100% test must be employed. In such cases Daimler can demand that suppliers apply different suitable methods of providing evidence for process security specific to components in series production. Suppliers of electrical and electronic components shall implement suitable indicators to detect conspicuous trends and anomalies (e.g. anomaly tests such as Parts Average Analysis). No parts subject to anomalies shall be supplied to Daimler.

5.0 Development of Products with Embedded Software (IATF16949 section 8.3.2.3)

Supplier shall meet the requirements of MBST 14/07, section 3, paragraph 2-9 as follows: Daimler is entitled to audit and evaluate the sub-supplier's QM system and quality assurance measures or to have these audited and evaluated by a third party commissioned by Daimler. This can be done as part of an audit (e.g. technical audit of supplier) following prior announcement. As part of its deliveries, the supplier must also enable its sub-suppliers to be audited by Daimler or a third party commissioned by Daimler. The supplier consents to assist Daimler in identifying weaknesses in the sub-supplier structure. Optimization of the weaknesses which are ascertained is the responsibility of the supplier. Daimler can stipulate quality assurance measures.

Suppliers that develop and supply software, also in combination with hardware, must observe the relevant valid version of the ISO/IEC 15504 or Automotive SPICE™ standards.

On request, Daimler must be informed of measuring variables in the software development process (e.g. number of errors per lines of code, error distribution over development phases, efficiency measurement in various phases of software development, test coverage such as C1 or equivalent measuring variables).

The maturity of the software development process must be verified through an assessment in accordance with ISO/IEC 15504 or Automotive SPICE™. The supplier must provide a results protocol according to SPICE or Automotive SPICE™ on request.

Without being requested, the supplier must submit at least a Level 2 along with a results protocol according to Automotive SPICE™ during the tendering procedure. The underlying assessment must not be older than 12 months. After awarding, the supplier must verify Automotive SPICE™ assessment level 3 according to ISO/IEC 15504-1. This level should be either available at the start of the project or should be verified at the early stages of the project (maximum one year after awarding).

The execution and scope of the assessment and qualification of the assessors must meet the requirements of the standardization activities of the software manufacturer initiative (HIS) and Automotive SPICE™. In the event of significant deviations from these requirements, the assessment is invalid.

In this case, reassessment must be carried out by an independent third party who did not take part in the invalid assessment. The costs of this reassessment are borne by the supplier. Daimler has the right to carry out an assessment itself according to ISO/IEC 15504 or Automotive SPICE™.

6.0 Special Characteristics (IATF16949 section 8.3.3.3)

Supplier shall meet the requirements of **MBST 13/19, section 5, paragraph 9**: Prior to the PPA process the documents specific to the sampling scope (account table 1 (MBST 2020 MBST 13/19, section 6),

-possible part bundles and

-the number of samples required,

among other things, shall be specified as part of sampling planning, including the submission stage.

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

The relevant product and process characteristics for which capability studies shall be carried out, shall be coordinated with SMR. Until process capability has been verified, the characteristics shall be checked 100% by the supplier.

7.0 Product Approval Process (IATF16949 section 8.3.4.4)

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

8.0 Design and Development Changes (IATF16949 section 8.3.6.1)

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

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

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

*Includes modifications of material as well

** Also includes modifications to the logistical value chain

D = Execution of the PPA Process by the Partner

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

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

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

AND in case of required by Daimler, supplier shall meet **MBST 13/19, section 5, paragraph 7** in addition to SMR Global Supplier Manual PPAP requirements.

9.0 Customer – Directed Sources (IATF16949 section 8.4.1.3)

Supplier shall meet **MBST 13/19, section 5, paragraph 3** requirements: Under consideration of the inspections carried out at the supplier's premises in accordance with MBST, the inspection carried out at Daimler is restricted to the comparison of delivery note data with the goods labels, checking the number of load units and inspecting external transportation damage which is clearly visible on the packaging.

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

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

10.0 Statutory and Regulatory Requirements (IATF16949 section 8.4.2.2)

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

The supplier shall ensure independently and on his own responsibility, that the related documents are up to date and valid. The supplier shall transfer those documents to SMR on time, without the need of a request by SMR.

The supplier must ensure delivery of parts, which meet all legal or regulatory requirements, over the whole life cycle, i.e. even after the end-of-production (EOP) of the vehicle during the period of spare parts supply – until revoked (incl.

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

11.0 Supplier Quality Management System Requirements (IATF16949 section 8.4.2.3)

Supplier shall meet the requirements of **MBST 14/07, section1, paragraph 2**: SMR will set up its QM system and suppliers are also required to comply with the requirements of the MBST.

12.0 Identification and Traceability (IATF16949 section 8.5.2.1)

Requirements of designations are specified by SMR Engineering in an appropriate document, which is in line with **MBST 14/07, section 5, paragraph 8**. Supplier to be aware and meet the requirements of both.

13.0 Control of Changes (IATF16949 section 8.5.6.1)

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

14.0 Layout Inspection and Functional Testing (IATF16949 section 8.6.2)

Supplier shall meet the requirement of **MBST 14/07, section 5, paragraph 9**: The supplier is obliged to check annually whether its deliveries meet Daimler's and SMR's specifications (including dimensions, material, reliability, legal specifications, environmental and production control plan) (requalification). The supplier evaluates documents and archives the results. These must be made available to Daimler and SMR on request. Any deviation from this paragraph must be agreed in writing between the supplier and SMR or Daimler.

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

Supplier shall meet the requirement of **MBST 14/07, section3, paragraph 1**: Daimler is entitled to audit and evaluate the supplier's QM system and quality assurance measures or to have these audited and evaluated by a third party commissioned by Daimler. This can take place as part of a review (e.g. Process audits according to VDA 6.3) after prior notification. As part of its deliveries, the supplier must also enable its sub-suppliers to be audited by Daimler or a third party commissioned by Daimler. The supplier consents to assist Daimler in identifying weaknesses in the sub-supplier structure. Optimization of the weaknesses which are ascertained is the responsibility of the supplier. Daimler can stipulate quality assurance measures.

16.0 Statutory and Regulatory Conformity (IATF16949 section 8.6.5)

Supplier shall meet the requirements of **MBST 14/07 section2**, detailed list of requirements please see above, listed at **IATF16949, section 8.4.2.2**.

17.0 Customer Authorization for Concession (IATF16949 section 8.7.1.1)

Supplier shall meet the requirements of **MBST 13/19, section 5, paragraph 7**, same as described above at **IATF 16949 section8.3.6.1**.

18.0 Customer Notification (IATF16949 section 8.7.1.6)

Supplier shall meet the requirements of **MBST 14/07, section5, paragraph 2 and 3**: If a PPA process trigger caused by the supplier arises, the supplier shall provide notification of this trigger at least six months prior to planned implementation. In justified, exceptional cases, deviating regulations will be agreed with the Daimler/SMR department responsible for series production approval. Relocation is not permitted in the start-up phase. Notification of relocation must be issued six months in advance and requires approval from Daimler and SMR. Daimler and/or SMR shall specify a sampling date to the supplier. The number of sample parts must be agreed upon with the respective SMR contact person for the PPA Process and the sample parts must be delivered free of charge.

19.0 Regarding Sustainability/Health and Safety:

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

In line with **MBST 36/12**, in the category working conditions / labor standards, it is important to include also regulations on health and safety at work as an important component of the contract apart from wages and social benefits, working hours, prevention of child labor, free choice of employment, freedom of association and the right to collective bargaining, to ensure that there is a high level of safety and that the working conditions are continuously improved.

20.0 Preservation (IATF16949 section 8.5.4.1)

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

History of the revision

No.	Cause of modification	Date	Modifier	Approved
1	First issue	08.01.2018	Judith Robertson	Steffen Dehner
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