Supplier Quality Manual

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Vision and Mission

It is our vision to be the supplier of choice for our customers and a recognized responsible community partner. In order to be our customers' preferred supplier, we are driven by a mission to delight our customers with quality, service, technology, and delivery, create a consistent culture of operational excellence, be an employer of choice and support the communities where we work and live. Together, our vision and mission fuel our work with purpose and passion and is the promise behind Yazaki's products to bring millions of vehicles to lite every day. This same promise makes vehicles equipped with Yazaki technologies more capable with systems and components that perform as intended - every time.

Values

We act with INTEGRITY

We are personally accountable to the highest standards of ethics and behavior, including honesty and fairness in all aspects of our work. We fulfill our commitments as responsible employees and citizens by upholding the law, respecting regional cultures, and contributing to economic and social development.

We value our PEOPLE

We are committed to building a culture of openness, trust, knowledge, and teamwork. We treat one another with respect and celebrate diversity as our strength - a competitive advantage that expands our knowledge and ideas and contributes to our prosperity. Our constant commitment to educate, develop, and grow our people is the basis of our continued success.

We build QUALITY products

We hold each other to the highest quality standards in everything we do. We are committed to design quality into our products and processes, select quality components, and deliver quality products to our customers. We will constantly strive for continuous improvement and product innovation.

We are RESPONSIBLE

We operate to protect and preserve our environment by being socially responsible for the impact that our products, processes, and people create. We continually strive to minimize the impact on our environment, improve our communities, and endeavor to provide a workplace that is safe and secure.

Scope

This manual applies to all external suppliers to Yazaki. The intent of this manual is to extend the scope of latest ISO 9001 and IATF-16949 requirements and to include the additional requirements of Yazaki. This document defines the basic quality systems and procedures required for suppliers of direct Production, Prototype and Aftermarket parts or services to Yazaki, and is intended to orient suppliers to these requirements. The supplier's quality system is subject to review and evaluation by Yazaki personnel, and this document will serve as the basis for such a review.

Yazaki supplier information shall be reviewed at the Supplier information Center located at Yazaki North America (www.Yazaki-na.com). This site includes links to IATF Global Oversight page, SCM documents, Purchasing & Supply Chain Management, Quality Policy and Environmental, Health and Safety policy.

Purpose

Yazaki will be the supplier of choice for our customers and a recognized responsible community partner.

In order to satisfy our customers' expectations, we need supplier partners that are committed to providing Yazaki North America with quality products, delivered on-time, at a competitive price. Quality, cost, and delivery are key factors in our sourcing decisions.

Confidentiality

All information concerning the relationship between Yazaki, and its suppliers is expected to be valued as confidential. This includes but is not limited to, purchasing specifications, pricing, and customer information. No disclosure of confidential information is expected or allowed without the prior written consent of the authorized person at Yazaki.

Ethics

Yazaki employees, Contractors and Suppliers are expected to comply with the latest version of the Code of Conduct located in the Supplier portal.

EHS Policy

We operate to protect and preserve our environment by being socially responsible for the impact that our products, processes, and people create. We continually strive to minimize the impact on our environment, improve our communities, and endeavor to provide a workplace that is safe and secure.

Yazaki is committed to supporting our customers and ensure compliance to the corporate conflict minerals requirements. This is a requirement that each manufacturer in our supply chain request information regarding the use of conflict minerals from their direct suppliers, who in turn, must solicit that information from the next tier of suppliers. All suppliers should be prepared to provide their completed conflict minerals report to Yazaki by the P[1] of September each year. Yazaki reserves the right to impose new reporting requirements on its global supply chain, regardless of where the components and materials are purchased, to comply with our customer requirements.

Definitions

3D: 3-Dimensional

AIAG: Automotive industry Action Group

APQP: Advanced Product Quality Planning

ASQE: Advanced Supplier Quality Engineer

BCP: Business Continuity Planning

BEAMS: Business Engineering Application Management System

CCR: Customer Concern Request

CN: Carbon Neutral

CSR: Customer Specific Requirements

CQI: Continuous Quality Improvement

DRC: Democratic Republic of the Congo

EHS: Environmental, Health & Safety

ESG: Environmental Social Governance

FMEA: Failure Mode Effects Analysis

GADSL: Global Automotive Declarable Substance List

GDS: Good Dimensional Samples

GQRS: Global Quality Reporting System

IATF: International Automotive Task Force

IMDS: International Material Data System

IS0/TS: International Organization for Standardization/Technical Specification

MPPS: Manufacturing Process Plan Sheet

OEM: Original Equipment Manufacturer

PCE: Provisional Component Engineer

PFMEA: Process Failure Mode Effects Analysis

PO: Purchase Order

PPAP: Production Part Approval Process

PPM: Parts Per Million

PSO: Process Sign Off

PSQD: Production Supplier Quality Development

PSOE: Production Supplier Quality Engineer

QIP: Quality Improvement Plan

RFQ: Request for Quote

SCM: Supply Chain Management

SCR: Supplier Change Request

SEC: Securities and Exchange Commission

SICR: Supplier Initiated Change Request

SOC: Substance of Concern

SQD: Supplier Quality Development

SQE: Supplier Quality Engineer

TPR: Tool Progress Report

TSCA: Toxic Substance Control Act

YNA: Yazaki North America

YSQ: Yazaki Supplier Quality

YSQE: Yazaki Supplier Quality Eng

Expectations

All YNA Suppliers must:

- Strive to achieve quality standard of zero (0) PPM and zero (0) documented defective claims
- Suppliers of automotive products are required to hold a valid IATF 16949 certification
- Suppliers of non-automotive products (raw materials, commercial grade products) are required to hold a valid ISO 9001 certification and comply with any product specific standards or specifications
- Suppliers are required to have current evidence of all relevant CQI audits available (CQI-9/ 11/ 12 / 15 / 17 / 23 / etc.). Assessments for heat treated / plated / coated / welded / soldered / plastic molding / etc.) for all facilities. Upon request by Yazaki, it is expected that a current version document will be provided to the requestor within 2 business days. Failure to provide the requested documentation within the allotted timeframe will result in escalation which may include New Business Hold, removal from Approved Supplier List, etc.
- Suppliers of aerospace products are required to meet AS9100 requirements
- Non-automotive, non-aerospace suppliers are required to meet ISO 9000 requirements and will be required to submit a Quality Pack for their product
- All suppliers are required to comply with YNA's SOC requirements and provide evidence upon request from YNA
- Define and implement their own Environmental, Health & Safety policy and provide evidence of continued compliance. YNA highly encourages all suppliers to be ISO 14001 certified.
- Comply with GADSL and provide evidence upon request from YNA North America
- Comply with TSCA Toxic Substance Control Act 40 CFR 792
- Comply with any CSR for all YNA Customers.
  - Refer to the IATF Global Oversight page for OEM specific requirements https://www.iatfglobaloversight.org/oem-requirements/customer-specific-requirements/
  - Please contact YNA Supplier Quality Development to review the Customer Specific Requirements (CSR) for Honda Motor Corporation.
- Support Yazaki Carbon Neutrality reporting
- Participate in Yazaki's Supply Chain Mapping project (Resilinc)
- Grant access to Yazaki and Yazaki's customers when requested
- Participate in all required supplier development and improvement activities
- Electronic component suppliers that contain cybersecurity features or used to implement cybersecurity features are required to inform YNA Purchasing by email within 24 hrs. of cybersecurity concern.
- Implementation of APQP activities to ensure timely, high-quality product development in accordance with the Automotive Industry Action Group.
- PPAP documentation must be on hand and readily retrievable upon request.

- Proprietary considerations regarding intellectual property will be made as appropriate.
- YNA Supplier Quality reserves the right to perform an on-site Level 5 PPAP for all submissions.

- APQP documents must be uploaded into BEAMS and Level 3 PPAP requirements including Run @ Rate for Provisionals. Respective YSQE will provide the PPAP requirements.

- Suppliers shall manage certificates of all their sites as Attribute info & upload documents into ASL. A timing plan shall be submitted if any of above certification has not been obtained yet with a maximum recovery time of one year.
- Annual product verification testing must be performed annually to ensure the intended design requirements are maintained. All applicable documents must be updated to reflect product performance throughout production, including updates to the original PPAP submission and dimensional annual layout. All appropriate design verification documentation must be made available within 48 hours of YNA request.
- To request access to YNA's system please contact the BEAMS Administrator at beamssupport@us.yazaki.com.

*Suppliers designated as chemical manufacturers, processors, distributors, or importers, subject to the chemical control regulation as enacted by the U.S. Environmental Protection Agency (EPA). Suppliers are required to meet all requirements of TSCA including, but not limited to, reporting, recordkeeping, testing, adhering to restrictions relating to chemical substances and / or mixtures, and amendments to TSCA "active" or "inactive" U.S. commerce inventory classification. Any EPA excursions to be reported to YNCA EHS within 24 hours of incident.

Suppliers of Aerospace products must:

In addition to the above expectations, suppliers of aerospace products are required to meet these expectations as well.

- The use of counterfeit parts is strictly prohibited. Yazaki reserves the right to request evidence, that demonstrates that your products were produced by the original manufacturer, and meet all quality requirements and expectations
- All suppliers of aerospace products are responsible to ensure that no counterfeit parts are in any way part of the production stream. In this regard all suppliers are responsible for having a counterfeit parts prevention program that includes awareness, training, and mitigation methods. Yazaki reserves the right to review and audit this process as needed to ensure all requirements have been met.
- Provide evidence that human factors were evaluated, as part of the 8D or problem-solving analysis, specifically for contribution to the root cause of any defective materials. Fishbone diagram or similar tools will be accepted.
- Grant access to any federal or regulatory agencies when requested

Assessments

Global Quality Systems Assessment

Acceptance: the supplier must score 75% or greater with no major non-conformances or zeros

Supplier must also complete all required corrective actions as identified by the reviewing YSQE.

Rejection: occurs when the Supplier scores below 75% and has major non--conformances; or by the judgment of the YSQE with concurrence of YSQ Management

If rejected, the YSQE may request a corrective action plan from the supplier

Supplier sourcing decisions will be rejected or placed on "hold" until corrective actions are implemented and verified by the responsible YSQE.

Manufacturing Review

YNA may conduct Manufacturing Review(s) at their manufacturing locations, which includes, but is not limited to, a detailed assessment of the supplier's manufacturing processes specific to a component or group of components.

Manufacturing Reviews may also be used to verify corrective action implementation and effectiveness, and to promote continuous improvement activities.

Process sign-off

A formal and systematic review of the supplier's planned and actual manufacturing process. The PSO occurs prior to PPAP submission. YNA requires a PSO on some components during the process development and qualification of product based on certain risk factors. The PSO includes a document and data review of:

- Drawings
- Specifications
- FMEAs
- Control plans

This on-site activity at the manufacturing site includes, at minimum, production run-at-rate verification and product test validation.

Pre-Production (ASQ)

Advanced Product Quality Planning (APQP)

Suppliers are expected to implement APQP activities to communicate and ensure timely, high-quality product development in accordance with the Automotive Industry Action Group's "Advanced Product Quality Planning and Control Plan - APQP" requirements. The AIAG manual provides guidelines designed to produce a product quality plan, which will support the development of a product or service. APQP status reports or output documents for this process may be requested by YNA. PPAP documentation must be on hand and readily retrievable upon request. Proprietary considerations regarding intellectual property will be made as appropriate.

APQP documents must be uploaded into BEAMS and Level 3 PPAP requirements including Run @ Rate for Provisionals.

Tool Development and Project Kick off
The development of a tool begins with the YNA designed component. Suppliers are chosen based on the cost, quality, and delivery of their past project performance. Once the design has been solidified, the project review will take place with the supplier and YNA teams.

The project review will cover timing, quality risk, process information, PPAP requirements, etc. Suppliers who are chosen to work on projects with YNA are asked to review all design concerns with the YNA Design Engineer prior to the project review. The Test Sample Submission quantity requirement will be discussed and agreed upon during the supplier's project review.

Once the project review has taken place, the supplier will be issued a Tool Purchase Order (PO) which will serve as the "kick-off' of the project. The supplier is held accountable for the deliverable dates on the Tool PO. After the tool has been kicked off, YNA's suppliers will be responsible for providing the TPR and/or providing APQP updates in YNA's BEAMS system each week. A self-help PowerPoint for submitting APQP updates into BEAMs and Tool Progress Report forms can be found on the Supplier Portal.

Suppliers are responsible for managing their deliverables. If for any reason the supplier cannot submit the deliverables by the date on the Tooling PO, the supplier is responsible for communicating to the ASQE in advance of the missed date(s). In the event this occurs, the supplier will be responsible for submitting their recovery plan and revised timing to the ASQE for review. Corrective actions and / or an 8D report may be requested to ensure the root cause has been identified and the issue will not reoccur. Suppliers will be held accountable for their timing and missed due dates may impact future business with YNA.

GDS Submission
GDS submission quantity will be discussed and agreed upon during the project review. The good dimensional samples must represent the optimized tool/process from the production intent facility/process.

GDS will include but is not limited to:

- A dimensional layout
- Ballooned drawing to the latest YNA Manufacturing Print or Customer print (Build to print)
- Component Deviation(s) (if applicable)
- Tool information (including photos), as noted on the TPR

- The optimized good dimensional samples.
- Material Certification
- Prototype approval form (if applicable)
- Transportation Supply Chain Validation

The good dimensional date is not complete until all the items have been submitted to the ASQE and good dimensional samples are approved by the Provisional Component Engineer (PCE).

Completion of Tool
Upon successful completion of the tool, the supplier will submit the GDS to the ASQE by the due date listed on the Tooling PO.

Component Deviation Requests indicating the specific non-conformances and defining the deviations of design requirements must be submitted to the ASQE and approved by YNA Engineering. An approved Component Deviation Request must be included in a supplier's PPAP submission. Please note that the good dimensional and testing samples are required from the production intent facility unless otherwise directed by **YNA.**

The supplier will also be responsible for submitting PPAP (not applicable for prototype parts) per the required delivery date on the Tooling PO and per the ASQE's requirements as provided in the project review.

Set up charges
YNA does not accept set-up charges on production tooling. YNA does not accept set-up charges for the sample submission and/or for blanket purchase orders on prototype tooling.

All parts manufactured off the prototype tool must be labeled as such on the shipping carton label. All labels, prototype, or production must include the tool and the drawing revision level.

Production Part Approval Process (PPAP)

Suppliers are required to submit PPAPs through BEAMS for all YNA production components and assemblies prior to the first shipment of production parts. The supplier must request access to BEAMS by sending contact information of all individuals who will be uploading PPAP documents to the YSQE. Failure to request access in a timely manner will not relieve supplier's liability for any consequences due to lack of PPAP documentation.

YNA reserves the right to request any PPAP level for catalog items and provisional components. YNA also reserves the right to request and audit annual layout data which must be made available within 48 hours of being requested. Please refer to the current YNA PPAP Checklist.

PPAP's are mandatory for, but not limited to, the following conditions:

- New parts sold to YNA
- Tool moves or additional production facilities
- Design changes
- New or modified tools
- New or optional material/colors
- Optional constructions
- New sub-contractors
- Significant process changes
- For further information, reference AIAG manuals

Standard L4 PPAP requirements are as follows (unless otherwise communicated):

- PSW form, Customer Name is "YNA"
- IMDS (YNA Account 223416)
- Submit by YNA Part Number. (Required for approval) Note: Without Dashes (-)
- IMDS form must show acceptance
- Drawing
- Quality Certificate: For an Automotive supplier, one of the following is needed:
    - IATF 16949 certification.
    - A letter from your registrar stating that you have initiated the IAFT 16949 process and have proven intent of attaining IATF 16949 certification
    - For Non-Automotive supplier,
    - ISO 9001 certification ANO statement must be added as denoted:
        - "This part is manufactured in a non-automotive site: IATF 16949 is not applicable"

If PPAP documentation cannot be provided in time for approval before shipping parts to YNA, YNA requires an Interim PSW Coversheet submitted and approved prior to shipping of any parts.

All supporting documentation for full Level 3 PPAP shall be retained for the life of the program plus 10 years at supplier location and available upon request, within 48 hours, regardless of the PPAP level requested by YNA for approval.

If the manufacturing location identified on the warrant is different than the point of purchase (POP) identified by YNA, then a comment must be added to the warrant in the comments section to address the POP.

All costs related to PPAP submissions are the responsibility of the supplier. YNA will not authorize additional payment to a supplier for PPAP submissions. Contact your YNA Buyer for specific contract terms.

Disclaimer: PPAP submissions containing instances where legal disclaimers and other references to legal terms and conditions are viewed as follows:

YNA North America's purchases are governed exclusively by the "General Terms and Conditions of Purchase", which can be viewed in the Supply Chain Management Documents section on the Supplier information Center on YNA North America's Home

Page. YNA hereby rejects any contrary terms, including but not limited to, any terms that purport to limit the scope or nature of seller's warranty obligations or that purport to limit seller's obligation to notify us of any proposed change in part specifications.

PV Test Results

Additional requirements specific to all Sub-Assemblies (coax, airbag squibs, battery cables): ALL Sub-Assemblies must include PV test acceptance to applicable USCAR and/or OEM requirements with PPAP submissions.

Any other PV test requirements as communicated, must be included with the PPAP, and show complete acceptance; for example, published customer requirements that may not be called out on the drawing.

Safe Launch

During the start of production and production volume ramp up, the potential for escape of non-conforming material is at its highest. YNA Supplier Quality and Development requires suppliers to implement a "Safe Launch" procedure to reinforce the detection of the quality risks that have been identified in the Control Plan.

A secondary 100% inspection of the finished product is required. Findings shall be documented and shared within the supplier's organization and available for sharing with YNA SQD within 24 hours after request. This requirement shall remain in effect until the completion of 90 consecutive production days with zero defects identified in the secondary inspection.

Recommendations to reach that milestone:

- Double the Control Plan Inspection frequency (ex. instead of every 4 hours, perform the checks every 2 hours)
- Double the frequency of control validations (ex. instead of verifying the camera, testing, sensors... once per shift, validate every 4 hours)
- Review visual aids with the operators and inspectors at the start of the shift and every 4 hours
- Design, validate, implement, and monitor the use of detection poka-yokes such as go-no-go gauges, vision systems, matting parts usage, etc.
- Document all verifications and reviews, provide any failures detected by the secondary inspection and review with the quality and manufacturing teams for immediate containment and corrective action implementation.

Production (PSQ)

Supplier Change Request (SCR)

Suppliers must provide defect-free products that meet the design record requirements. The SCR process is to be utilized when a supplier needs to communicate and request a change for any / all PPAP approved parts which they supply to YNA including OEM directed changes. The types of changes may include material changes, design changes, process changes, sourcing to a sub-supplier and the following:

- Drawing (Non-FFF)
- End of Life with Replacement Part Number
- End of Life without Replacement Part Number
- Fit/Form/Function
- MFG Location Change/Additions
- Tool Move (including intra-facility)
- Process Change (including control plan changes)
- New/Capacity Tool
- Packaging Change/Proposal
- Point of Purchase
- Name Change
- If your situation doesn't fit in one of the above descriptions, please contact your YSQE for guidance.

YNA Supplier Information Site has a complete matrix of submission requirements for each change type. All SCR's must be submitted on a new SCR form. *Current version of the SCR form can be found on the YNA Supplier Portal

SCR instructions:

The supplier section (highlighted in green) must be completed in its entirety. This includes the timing plan tab and the parts list tab (if necessary). The form is programmed to aid the supplier in completing each section prior to submitting to YNA. The items that must be submitted with the SCR vary with the change type. A completed form and supporting documentation must be emailed to: SICR@us.YNA.com

Necessary time required for YNA to obtain approval from their customer for all change types is 120 days. If the supplier has not received approval in the 120-day lead time, please contact the buyer and/or SQE. If any OEM approvals or validation data proving the change did not negatively impact the performance of the component for the requested change must be provided immediately upon receipt of the SCR Number. This will expedite our OEM Business Unit approval and reduce the approval time.

Once the supplier successfully submits the completed SCR form to the SCR mailbox; the supplier will be informed if the request is accepted for processing or if more information is needed.

An SCR tracking number will be assigned and provided back to the supplier.

Supplemental documents, in addition to the SCR, can be sent to the SCR mailbox. Any additional documents must reference your assigned SCR number. When the necessary approvals have been obtained, YNA will send the approved SCR and request a PPAP package. The approved SCR cover page will need to be submitted with the PPAP package. All functional groups, including suppliers, must ensure proper SCR execution far critical deliverables such as but not limited to: Contracts, YPN, BOM, PPAP to prevent any Material Delivery issues

Tool Move Requirements

Suppliers moving production tooling must notify YNA in writing through the SCR process and gain approval prior to physically moving the equipment. Suppliers must propose a detailed, comprehensive tool move plan that includes location addresses, part number(s) impacted, timing plans, bank stock requirements, risk assessment, and PPAP timing. Updated timing plans are required to be submitted bi-weekly and must highlight any changes. Refer to the SCR form or contact YNA Commodity Purchasing for specific requirements.

Component Deviation Request

The supplier must formally notify SQD when they become aware of any facts suggesting non-conforming product may have been shipped to YNA and its affiliates. The supplier must submit a component deviation request to their SQE contact for PPAP approved product not conforming to design requirements and deemed, by customer design engineering, as not affecting the fit or function.

Approved deviation: the supplier will be authorized to ship deviated product for a specific quantity or period with an approved Interim or full PPAP. All deviated products must be clearly identified on the cartons and must have appropriate traceability.

No approved deviation: the supplier shall not release deviated product to YNA and its affiliates. Unapproved product will be rejected and counted as a defective claim towards the supplier's PPM and Supplier Scorecard rating.

Non-conforming material

Suppliers are responsible for the quality of their product throughout all YNA manufacturing processes, installation, and handling at all customer locations, and through the end consumer's use (warranty). Suppliers must have procedures in place preventing non-conforming product from escaping their processes and shipping to YNA facilities.

In the event non-conforming material escapes and is shipped to any YNA location, including but not limited to warehouses and/or affiliates, the supplier is required to have an internal quality alert process and must contact their appropriate YSQE as soon as possible. The supplier is responsible for notifying their YSQE with enough information to track and contain all detective material. The supplier is responsible for ***all costs associated with the containment and replacement of the detective goods***. The supplier will be required to submit corrective actions to confirm effective measures have been implemented and validated while ensuring the mitigation of the issue from occurring again.

Defective Conditions

When a product does not meet the documented specification or design requirements, or have a signed deviation from **YNA,** the product will be rejected. The following is a partial list of general quality reject conditions:

- Appearance / surface defects
- Assembly defects
- Broken / damaged (Including transit damage)
- Burrs
- Contamination / corrosion
- Cracks / holes / tears
- Flash
- General deformities
- Missing part
- Over / under specified dimension
- Packaging
- Plating
- Sharp edges
- Short shot
- Wrong material

Quality Rejection notification

If non-conforming material is identified at any YNA or YNA customer locations, suppliers are responsible for ensuring that certified material is provided.

Supplier management of all sorting to ensure clean material, including:

- Managing all sorting activities in person where possible (Some YNA locations are not available for supplier visits)
- Supplier will coordinate 3rd party sorting activities to all affected locations at the supplier's cost
- Providing weekly sort results to responsible YSQE

If suppliers are not willing or able to sort their suspect material in person, suppliers acknowledge YNA will be reimbursed in full for all containment and sorting activities related to the identified defect. Any product sorting activity conducted by Yazaki personnel, Third Party providers, or by Yazaki's customers will be the full accountability of the supplier. When a sort is initiated, the supplier is accountable to provide the appropriate internal contact to facilitate direct billing at Yazaki's discretion. If a supplier does not initiate sorting in a timely manner, Yazaki reserves the right to start sorting at the supplier's expense in order to mitigate the risk to our impacted Yazaki locations along with minimizing the customers risk as well.

To properly contain any quality spill, the supplier is primarily required to provide in a timely manner the following:

- Detailed sort instructions must be provided immediately upon receiving a Quality Rejection Notification by GQRS-C and/or Customer Concern Request
- Shipping information (name, address, phone number, and shipping account) if samples are required for analysis
- Advanced written request to the YSQE for the return of any detective parts found during the sorting activity to be provided to the previously mentioned shipping location. Request to be made to the GQRS-C issuing site using GQRS-C.
- Prompt and accurate tracking information of all materials considered under quality risk such as serial numbers, lot number(s), manufacturing dates and/or shipping invoices.
- Tracking information of certified stock (Good Job Number) must be clearly and unmistakably identified. GJN refers to Serial Number, Lot Number, and / or Shipping Invoice of box(s) containing certified / clean material. (Same as above serial numbers, lot number(s), manufacturing dates and / or shipping invoices)
- A formal 3D describing the above is mandatory and must be submitted within 24 hours of notification of the quality rejection in the Global Quality Reporting System – Component (GQRS-C). Each field in the 3 D must be completed with accurate information. *Short or generic answers are not admissible.*
- Proper validation of Root Causes (Occurrence, Detection and Systemic) is expected to be shared with YNA within the 5 business days after receipt of the GQRS-C.
- A full 8D is mandatory and must be submitted within 10 business days of notification of the quality rejection in GQRS. Each field in the 8D must be completed with accurate information.

Evidence of Corrective Actions can be supported with pictures, charts, reports, videos, PowerPoint files, etc., but by no means exempts the supplier from properly completing all mandatory fields within the issued GQRS-C.

An 8D report must include validation of the permanent corrective action to ensure there will be no repeat quality rejections in the future.

All 8D reports from the supplier are subject to full audit verification at the respective YSQE's consideration.

RMA and cost recovery
Once all the containment activities are completed, the supplier must provide proper authorization for the Return or Scrapping for all non-conforming material via Return Material Authorization (RMA document). RMA format is at the supplier's discretion, but at a minimum must include the following:

- Reference / RMA number
- Final disposition (Scrap / Return)
- In case of Return, supplier must provide shipping instructions including carrier name and supplier's account number – shipping companies to be appropriate to the region
- Defective parts recovery plan, such as physical replacement or economic reimbursement (Credit Note)

If the supplier does not provide the above requirements within 24 hours, then the supplier accepts all charges incurred by YNA to ensure containment and clean stock to our customers.

Defective samples found during the sorting activity may not be returned. The supplier is responsible to provide certified stock as necessary, which must be identified as required.

Quality Reporting
Suppliers are required to respond to all detective claims through the Global Quality Reporting System (GQRS) using a 3D / 8D problem-solving method.

All efforts to identity root cause(s) should be taken with frequent updates provided to YNA. A specific corrective action update schedule will be established with suppliers based on the severity and impact of the issue.

Problem solving methods should utilize a team approach including statistical and error proofing techniques.

Corrective actions that involve process changes may require the supplier to provide updated DFMEA, PFMEA, and Control Plans.

Operator training and procedure violations are ***unacceptable*** root causes. Product layout data may be requested as well.

All certified material shipping to YNA facilities shall be identified with the associated GQRS-C number on a green sticker or other specified criteria. This label will be near all barcodes on the container and clearly visible. The supplier is responsible to provide updates for all interim activity through final verification within the GQRS-C concern. Validated corrective action measures that ensure prevention of the detective condition must be communicated in the respective GQRS-C within 1O business days of the original defect notification date. All interim and corrective action plans must be entered into the YNA GQRS system.

Corrective Action Failures

Continual quality concerns will affect a supplier's opportunity for additional business with YNA. Suppliers are expected to use "lessons learned" or similar methodologies to eliminate potential risk factors and prospective defects. Suppliers shall apply all analysis findings and action items to similar processes and part numbers within their manufacturing facility. When corrective actions do not eliminate the defective condition, the supplier must re-evaluate the root cause and establish a new and effective corrective action as well as conducting a complete evaluation of the failure detection system. Continued failures may result in formalized quality improvement activities as determined by the YSQE.

Accountability

Suppliers are selected based on their ability to provide cost effective and defect-free products. With these expectations, suppliers will be held accountable and responsible for all costs incurred due to defective products identified during YNA manufacturing / installation, customer manufacturing / installation, and end-customer use of the product (warranty).

Suppliers are responsible for all costs incurred while the defect situation is contained and remedied. Supplier responsible costs may include, but not limited to, the following charges:

- 3rd party sorting and / or reworking costs
- Labor for sorting and / or reworking of raw stock
- Labor for sorting and / or reworking finished goods
- Labor for sorting and / or reworking of finished goods installed in end customer product
- Scrapping and / or reworking of finished goods due to defective supplier product
- Reimbursement and / or replacement of defective raw material
- Shipping fees related to return of defective product
- Fees and taxes related to scrapping of material outside the U.S.
- Warehousing / storage fees due to the containment and holding of suspect product
- All necessary travel, lodging, and meals
- Rework and / or repair material, tooling, gauges, testing equipment, 3rd party testing, etc.
- Excess freight and air shipment charges
- Production downtime at YNA manufacturing facilities

- Production overtime at YNA manufacturing facilities
- Production downtime at customer locations
- Production overtime at customer locations
- Administrative, corporate, and management support fees
- Follow up actions and assessments
- Any other extraordinary fees associated with a detective condition
- All related customer fees and charges

All costs are calculated based on US currency using standard man-hour labor rates established by YNA. Appropriate debits are issued to the supplier through the Finance Department in cooperation with SCM. As of January 1, 2023, YNA North America's hourly sorting / rework rate in the United States, Canada and Japan is $45 per man hour, and locations outside of those countries, the hourly sorting / rework rate is $19.45 per man hour. Overtime rates may also apply.

Quality Hold

A "Quality Hold" classification is assigned to a supplier when a high-risk product quality situation arises. This status directs YNA SCM to evaluate the supplier more closely prior to awarding new business. Suppliers formally notified of a "Quality Hold" status must perform supplier or quality improvement activities, as directed by YSQ. The supplier may be subject to extended sorting and/or third-party certifications. This status is not intended to be permanent. However, if the supplier / quality improvement activities are ineffective, "New Business Source Hold" status may be assigned to a supplier.

Supplier Sub-contractors

Suppliers may not sub-contract any product without approval by YNA SCM. Suppliers are responsible for sub-contracted products and services used in products sold to YNA and its affiliates. It is expected that suppliers work closely with their sub-contractors and monitor their quality level. Sub-supplier development activity is encouraged. YNA reserves the right to request and perform necessary assessments at sub-contractor facilities. All customer required Tier N reporting is the responsibility of the supplier and to be available within 48 hours of request.

Warranty

Suppliers are responsible for their product through the end of vehicle program life (including service parts duration) or throughout the warranty period offered to the end consumer by YNA's customer. Post-production defective claims reported by the end consumer are qualified, tracked, and reported by YNA. Costs related to such claims are the responsibility of the supplier.

Supplier Development

YSQ is responsible for monitoring supplier quality performance. Supplier Scorecard metrics can be used to initiate supplier improvement activities. A YSQE will notify suppliers identified to participate in specified improvement activities.

Quality Improvement Plan (QIP)
Suppliers identified as high impact, with downward quality trends, or those who do not compare favorably to others in their commodity may be required to present a comprehensive QIP. Full supplier cooperation is expected throughout the QIP. Suppliers successfully fulfilling QIP requirements (defined by YSQ) may be released from the QIP activity. QIP activity will be concluded by YSQ when enough supplier performance improvement is evident. Poor QIP activity/results may lead to a "Quality Hold" or "New Business Source Hold" designation with YNA SCM.

Scorecards
YNA publishes a global monthly scorecard to our top suppliers. The multi-disciplinary elements will consist of Key Performance Indicators for: Quality, Commercial, and Delivery performance.

Quality KPI’s: Number of concerns issued per million receipts, number of defects per million receipts, OEM spills, and PPAP submission performance.

Commercial KPI’s: Cost performance and eRFQ response timing.

Delivery KPI’s: On time delivery and Line Stops

Contingency Planning
Supplier is expected to have a robust contingency plan in place to avoid affecting YNA's production in case of any of the following scenarios, but not limited to:

- Natural Disaster (Fire, Flood, Earthquake, Severe Weather, etc. ...)
- Power Outage
- Raw Material Shortage
- Machine Failure
- Broken or Damaged Tooling
- Civil Unrest
- Manpower Shortage
- Transportation Disruptions

Supplier may be asked to provide a survey on their internal contingency plans for review. An onsite assessment and review of training records may be needed on a case-by-case basis. Suppliers may be required to demonstrate the effectiveness of their contingency plan.

Participation in special surveys and/or projects is required.

Sustainability

Suppliers should improve sustainability, carbon neutrality and establish a strategy to become carbon neutral by~~;~~ identifying their carbon footprint, developing targets for C02 reduction, improving energy conversion efficiency, and implement effective carbon reduction projects. Examples include:

Purchasing green energy: carbon credits

Renewable energy sources: wind or solar

Green transportation of materials: electric vehicles

Reduction of electrical consumption: energy efficient equipment