Supplier Quality Manual

*Includes*

*HTF Customer Specific Requirements*

*For questions regarding this manual,*

*please contact*

*Kelli Lane at 810-660-8088*

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Revision History

|  |  |  |  |
| --- | --- | --- | --- |
| **Change Location** | **Date Revised** | **Edited by** | **Reason for Revision** |
| All | 5-27-2022 | D. Nelson | New Version |
| Various | 6-22-2022 | D. Nelson | Removed link to customer requirements and updated wording for PPAP and annual layout requirements. Added supplier code of conduct, section E. |
| Various | 7-14-2022 | D. Nelson | Minor wording and format changes, added section F supplier PPAP checklist form. |
|  | 11-17-2022 | D. Nelson | Added new forms to manual to emphasize requirements (appendix) |

**Section A - Introduction**

Success in the Automotive Industry requires a commitment to manufacturing excellence. The commitment demands a relentless pursuit of continuous improvement in the areas of quality, delivery, and cost efficiency. As a Supplier to Hydraulic Tubes & Fittings LLC (aka HTF LLC), the pursuit of continual improvement must be a mutual pursuit.

To that end, the HTF LLC Supplier Requirements Manual defines a specific set of performance guidelines, standards and requirements. Compliance with the guidelines, meeting the standards, and satisfying the requirements set forth in the manual is a contractual obligation linked to the HTF LLC purchase order, and the HTF LLC Terms and Condition for doing business. Shipping against a HTF LLC Purchase Order indicates agreement to the contents of this supplier manual, as well as PO terms and conditions.

This Supplier Requirements Manual applies to all suppliers, distribution centers, and agents supplying HTF LLC. This should reference direct material and outside processes that perform value add to our products. This effectively eliminates our MRO suppliers from any requirement within this document.

**Section B - HTF LLC Facility Information**

Hydraulic Tubes & Fittings LLC Phone: 810-660-8088 Fax: 810-660-8050

434 McCormick Dr Quality Contact: Kelli Lane klane@htfllc.com

Lapeer, MI 48446

**Section C – Registration Requirements**

Unless specifically exempted by HTF LLC Vice President, all raw material, components and outside processing service suppliers are required to be registered to the most current version of IATF16949. In lieu of IATF 16949 registration, suppliers may be VDA Certified. If currently registered, Supplier must maintain certification with an IAF accredited registrar, and furnish updated copies to HTF LLC (klane@htfllc.com).

If Supplier is compliant to IATF/VDA, but not certified by a recognized registrar, Supplier agrees to provide evidence of compliance to HTF LLC, along with a plan to acquire registration through an IAF accepted Registrar.

If Supplier is working towards registration, then Supplier must provide evidence of such efforts, along with a reasonable timeline.

Suppliers are required to notify HTF LLC should suspension or loss of certification and/or major system findings in their QMS from any 3rd party Registrar.

Regardless of quality systems registration status, suppliers must have an effective quality management system in place with adequate resources, to comply with all HTF LLC Supplier Quality Requirements.

Direct suppliers are required to cascade these requirements to lower tiered suppliers throughout the supply chain.

Calibration and testing laboratories must be accredited to ISO 17025 with a scope that includes the testing or calibration to be performed, ILAC approved, with accreditation mark on the calibration certificate.

**Environmental, Health and Safety Certification**

HTF LLC recommends suppliers be certified to the current ISO 14001 Environmental Management standard. Whether certified or not, suppliers are expected to adopt a responsible environmental management system which satisfies all applicable legal requirements. HTF LLC expects suppliers to provide a healthy and safe work environment, and to encourage their employees to accept responsibility for working safely. Compliance with, or certification to OHSAS 18001 Health and Safety Management standard is also recommended.

**Section D – Quality Management System Requirements**

Note: The supplier is to follow all requirements listed in both ISO 9001:2015 and IATF 16949:2016 with additions of specific information aligned to these standards, as follows:

*Sections 4 – 7.5.3.2*

*No additional requirements.*

Section 7.5.3.2.1

**Record Retention** The supplier must maintain PPAP records for the life of the product plus one year and inspection and test records for a minimum of three years.

*Section 7.5.3.2.2 - 8.2*

*No additional requirements.*

Section 8.2.1

**Quotation Criteria** When submitting a quotation, the following criteria should be addressed:

Clear understanding and agreement on the product specifications, requirements, and applications. Internal capabilities sufficient to manufacture products at consistent, acceptable quality and performance levels. Recommendation of any changes that will prove advantageous to product quality, performance, price, and delivery. Notice of any exceptions to the specifications being quoted. Multi-functional team feasibility review and signoff.

Section 8.2.2

Suppliers must utilize an APQP process for products supplied to HTF LLC with conformance to PPAP level specified by HTF LLC Quality, typically level 4 utilizing the

HTF-43 and 44 Supplier PPAP Checklists are found in section F.

HTF LLC requires all Suppliers to take ownership of and manage the Advanced Product Quality Planning (APQP) process, utilizing a structured cross-functional approach. During quality planning activities, controlled conditions are identified, implemented, and documented for the manufacture of HTF LLC products. The activities identified in the APQP documents must include delivery from the manufacturing facility to a local warehouse and/or sub-assembly facility, re-packaging, re-labeling, inspection, and test, as applicable. Suppliers must track progress and ensure on-time completion of critical items during the planning process.

Suppliers are required to use the APQP process to assure controlled conditions are developed and followed, for the duration of the part production cycle. Suppliers are required to conform to the techniques identified in the AIAG “core tools” (APQP, PPAP, MSA, SPC, FMEA), or equal standards such as VDA, to support planning and ongoing quality control efforts. Suppliers must require APQP from their sub-contractors and have the records available for HTF LLC review.

*Sections 8.2.3 – 8.2.3.1*

*No additional requirements.*

8.2.3.1.1

**Access to Supplier Site** The supplier must allow onsite verification activities, process audits, product audits or any reason related to the quality of product being provided to HTF LLC or their Customers, upon request. The supplier must allow direct communication with the manufacturing facility for coordinating actions on quality issues.

Section 8.2.3.1.2 Customer Designated Special Characteristics

The supplier shall maintain and provide on-going capability data for all print designated “special” “critical” SC or “key” KCC characteristics. The supplier is expected to provide evidence of meeting these criteria with each order.

*Sections 8.2.3.2 – 8.3.4.3*

*No additional requirements.*

Section 8.3.4.4

Suppliers must use the HTF LLC Supplier PPAP Checklist when submitting PPAP. Reference section F for this form and request a copy of this checklist from Kelli Lane ([klane@htfllc.com](mailto:klane@htfllc.com)). Suppliers are expected to submit PPAP packages to Kelli Lane before the agreed-upon date, who will review the submission and give one of three statuses:

* Full approval indicates that the part or material meets all specifications and requirements. The supplier is authorized to ship product.
* Interim approval permits shipment of production for production requirements on a limited time or piece quantity basis. The supplier must submit, at the time of PPAP, an action plan to address the issues preventing the PPAP from obtaining full approval
  + Rejected means that the submission does not meet the specifications and requirements. The reason PPAP was rejected will be on the PPAP warrant returned to the supplier. A corrected PPAP must be submitted and approved before shipment.

*Sections 8.3.5 – 8.3.6*

*No additional requirements.*

Section 8.3.6.1

All supplier-initiated process design changes must have written approval by the HTF LLC Quality, prior to production implementation.

*Sections 8.4 – 8.4.1.1*

*No additional requirements.*

8.4.1.2 Supplier Selection Process

All suppliers will be evaluated based on the criteria in HTF-41 - Supplier Self Assessment Survey.

Current supplier performance is continually evaluated for quality and delivery risk, quoted costs, results of 2nd party audits, QMS certification status, and response to corrective action requests.

The HTF LLC Purchase Order shall be the official document between the supplier and HTF LLC and takes precedence over this manual.

*8.4.1.3 - 8.4.2*

*No additional requirements.*

8.4.2.1 Type and extent of control

**Material Certs (Raw, Components) -** It is a HTF LLC requirement that materials and components are not shipped without PPAP approval, and that material certs are provided with each order. Chemistry and YTE will be confirmed to specifications during the HTF LLC receiving process.

**Paint/Plate/Weld Suppliers** - It is a HTF LLC requirement that all suppliers submit PPAP with annual revalidation, annual CQI Self Evaluation Results to [klane@htfllc.com](mailto:klane@htfllc.com) and provide evidence of meeting specification in the form of test reports and completion of the Navistar DVP&R. (See 9.1.2 Special Processes for additional information)

**Quality Target -** It is a HTF LLC requirement that all suppliers provide 100% defect free products.

**Delivery Target and Requirements -** It is a HTF LLC requirement that all suppliers provide 100% on time delivery. Suppliers must notify HTF LLC Buyer as early as possible if shipments will be late. Missed or behind schedule shipments may result in expedited shipments that are the responsibility of the supplier. Suppliers are expected to evaluate their systems and take corrective action to prevent future missed deliveries.

**Labeling requirements** will generally be defined during the purchasing process. In any case where label requirements are not specified, supplier should request label information from HTF LLC, and in the last case, default to AIAG standard label. Supplier is responsible for all packaging materials and methods that will ensure undamaged product throughout the shipping process. In the event that HTF LLC is supplying packaging, the supplier will provide suitable back up packaging to be used in shortage situations.

**Corrective Actions -** It is a HTF LLC requirement that all suppliers respond to corrective actions within 24 hours of receipt of complaint to verify receipt of the complaint and containment. Root cause and corrective action is expected within 30 days or a reasonable time based on implementation requirements. Failure to respond to a complaint can result in removal from the HTF LLC Supplier List.

**Customer requirements** passed down from HTF LLC are not always known at the time of business award, but they will be communicated to suppliers as quickly as they are available and are expected to be part of the job requirements.

8.4.2.3-8.4.2.3.1 Supplier quality management system development

*No additional requirements*

8.4.2.4 **Supplier Monitoring**

To be effective, HTF LLC must build relationships with suppliers who can consistently meet our needs. The **Supplier Scorecard** utilizes four measures covering various aspects of supplier performance, with a max score of 25 for each category. Perfect scores are 100 points (100%)

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|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **QUALITY** | |  |  | **SERVICE AND RESPONSIVENESS** | |  |  |
| **25** | 0 Rejection Notices | | | **25** | Excellent service and responsiveness | |  |
| **15** | 1 Rejection Notices | | | **15** | Good communication, notice, completion of 8Ds | | |
| **5** | 2 Rejection Notices | | | **5** | Poor communication, notice, completion of 8Ds | | |
| **0** | 3 or More Notices | | | **0** | No communication, failure to respond to 8Ds | |  |
|  |  |  |  |  |  |  |  |
| **DELIVERY** | |  |  | **CERTIFICATION** |  |  |  |
| **25** | 0 Late Deliveries | |  | **25** | IATF 16949 or VDA |  |  |
| **15** | 1 - 2 Late Deliveries | |  | **15** | ISO 9001 with Plan |  |  |
| **5** | 3 - 4 Late Deliveries | |  | **5** | 2nd Party ISO 9001 Compliance | |  |
| **0** | 5 or More Late Deliveries | |  | **0** | No Certification and No audit on file | |  |

Supplier Performance Ratings are a description of the performance level of supply as viewed by HTF LLC. Supplier Performance Ratings associated to the overall score are as follows:

* + **Preferred** - Annual score of 90-100%. HTF LLC will work with these suppliers on the development of new business and assist them in maintaining a competitive market position.
  + **Acceptable** - Annual score of 70-89%. HTF LLC will closely monitor suppliers' performance, and assist them where practical, in achieving Preferred Status as requested by the supplier.
  + **Development or Corrective Required** - Annual score of 0-69%. HTF LLC will require corrective action to improve performance. Persistent poor rating can be cause for re-sourcing. 2nd party QMS audits may be required, especially for suppliers of high risk or complex products, or the presence of product safety or statutory/regulatory requirements exist.

Example:



8.4.2.5 **Supplier development**

HTF LLC will work with suppliers to improve their QMS and meet requirements within this manual.

*8.4.3 – 8.5*

*No additional requirements*

8.5.1 **Control of production and service provision**

Quality Data – HTF LLC requires material certs and certificates of analysis as appropriate for component parts supplied. The certificate of analysis must include lot/heat traceability as well as material specification requirements and results. It is expected that suppliers maintain lot traceability and follow FIFO in their facilities.

8.5.1.1 **Control plan**

Inspection data must be maintained for inspections performed in the control plan. Any changes must be requested through a Deviation Request to HTF LLC Quality and approved with an updated PPAP before making production changes.

8.5.1.2 **Standardized work – operator instructions and visual standards**

It is expected that appropriate instructions and visual standards be available to the operator for decision making purposes.

*8.5.1.3 – 8.5.6*

*No additional requirements*

8.5.6.1 **Control of changes – supplemental**

A production trial run must be considered for every product and process change. Results of the trial run shall be documented. Any changes made by a supplier or the supplier’s sub suppliers, to the process, product, machine, tooling or supply require the supplier to submit a PPAP using the most current PPAP format.

8.5.6.1.1 **Temporary change of process controls**

Suppliers must keep a list of all error proofing devices and identify which can be bypassed and which cannot. A bypass list for error proofing devices identifies what the bypass method (alternate method) is before a device failure so that when a failure occurs, the list can be referenced for action to be taken. This list shall be available to all associates with the decision responsibility to bypass.

*8.6 - 8.6.1*

*No additional requirements*

**8.6.2 Layout inspection and functional testing**

Annual PPAP submission to same level provided initially is required for all production jobs.

*8.6.3 – 9.1.2*

*No additional requirements*

9.1.2.1**Significant Quality Issues**

In the event of a special status condition, such as new business hold, CS1, CSII, etc. involving processes that are in the control plan of HTF LLC parts, the supplier must provide a copy of the corrective action plan to the Quality Manager within 10 days of the original event.

**Special Processes**

Suppliers of outsourced “special processes,” as identified by the Automotive Industry Action Group (AIAG), are required to conform with relevant AIAG Special Process documents:

CQI-9 Heat Treat Systems Assessment

CQI-11 Plating Systems Assessment

CQI-12 Coating Systems Assessment

CQI-15 Welding Systems Assessment

The appropriate self-assessment must be conducted and results provided to HTF LLC annually.

Records of actions taken for nonconformances found in the audit must be provided with the assessment.

*9.1.3 – 9.2.2.3*

*No additional requirements*

9.2.2.4 Product audit

The organization shall perform quality checks on each shift and have a process for final inspection. Final inspection shall be performed on all finished product prior to shipping.

It is expected that an annual product audit be performed and be included on the supplier’s internal audit schedule.

*9.3 – 10.1*

*No additional requirements*

10.2 Nonconformity and corrective action

**Nonconforming Product**

The supplier must have a process for handling nonconforming products, to ensure that all products received by HTF LLC are to specifications.

**Cost Recovery**

HTF LLC monitors supplier-caused disruption costs. Where there are costs associated with supplier caused disruptions, for either late arriving materials or rejected materials, HTF LLC must, at times, begin remediation efforts immediately upon learning of a failure or missing material.

HTF LLC will notify the supplier with an estimate of costs and a scope of work required as soon as possible. Where feasible, we will not proceed with costly remediation efforts until the supplier agrees to a failure and a prescribed remediation. However, when directed by customer’s schedules that require immediate remediation efforts, we will begin the necessary action(s) and concurrently notify the supplier. All costs and remediation efforts will be detailed and provided to the supplier, as appropriate. Any objections to these claims must be made immediately by the supplier, with any supporting evidence.

10.2.3 Problem solving

The supplier must have a recognized documented problem solving process and must have timely closure of corrective action(s).

**Corrective Action**

The supplier must initiate corrective action upon formal complaint from HTF LLC (Vendor Return Notice). Initial response must include, within 24 hours:

* + - * Containment method
      * Certified product marking
      * Product clean date

Any sorting activities required at the HTF LLC location or an HTF LLC customer will be performed at the expense of the supplier. The supplier must take timely corrective action and provide periodic updates to their HTF LLC Quality Representative.

Where stated that a complaint is “informal”, the supplier is expected to take actions to evaluate the issue, correct it, and take actions to prevent recurrence and apprise your HTF LLC representative of actions taken.

10.2.4 Error-proofing

Error proofing devices must be tested at the beginning of each shift at a minimum when feasible, otherwise according to the control plan.

*10.2.5 – 10.3.1*

*No additional requirements*

**Section E – Code of Conduct (CoC)**

The purpose of the CoC for Suppliers is to define minimum sustainability requirements for all HTF LLC Suppliers, covering the areas of:

* General Requirements
* Human Rights & Working Conditions
* Responsible Sourcing of Raw Materials
* Business Integrity
* Consequences of Breaching

The CoC for Suppliers bases on HTF LLC’s Code of Conduct as well as on all current and future domestic and international laws, regulations, conventions and standards and any and all such amendments.

Suppliers shall comply with any and all current and future applicable federal, state, local, domestic, international and foreign Laws and other legal requirements. Supplier shall at all times uphold the highest level of integrity and always operate honestly and equitably throughout its operations and business relationships and disclose details of its corporate structure when requested by HTF LLC.

**GENERAL REQUIREMENTS**

The supplier shall comply with all the Requirements in this section and shall attempt to ensure that all requirements of this CoC are followed by its own sub-suppliers, as well as all his own operations or affiliated companies.

The supplier shall operate honestly and be transparent with facts and data in relation to the outlined Requirements. HTF LLC wants to maintain an open dialogue concerning achievements, trends and possibilities for improvements.

The supplier shall have a senior manager in place who is responsible for compliance with the areas covered by this CoC.

The supplier shall have their own CoC in place clarifying the rules of behavior and proper conduct for its employees.

The supplier shall be proactive in appropriately addressing any risk of violation of the requirements, whether in its facilities or in its supply chains.

The supplier shall implement and make available appropriate grievance channels and remediation mechanisms available to all employees and third parties in order for them to raise concerns or complaints, but also recommendations and improvement ideas concerning the operations, without fear of retaliation.

**Legal Compliance**

HTF LLC requires its Suppliers to be knowledgeable about and to comply with all applicable laws and regulations as well as the contractual terms and conditions agreed upon with HTF LLC. In particular, laws to combat corruption and money laundering, competition and anti-trust law, export control and tax legislation have to be obeyed. All legally required permits, approvals, licenses, registrations, inspections and related reports shall be in place, up to date and available for inspection upon request.

In case local laws and regulations are less restrictive, the principles of this CoC for Suppliers shall apply. In case a Requirement is covered by this CoC for Suppliers, as well as by applicable laws and/or an agreement with HTF LLC, the stricter regulation offering the greatest protection shall apply. In cases where there is a direct contradiction between local law and the principles contained in this CoC for Suppliers, the local law shall prevail.

**Continuous Improvement**

HTF LLC believes in continuous improvement and recognizes that implementing the standards of this CoC for Suppliers into the Supplier´s operations and supply chains is a dynamic rather than a static process. Supplier should also seek continuous improvement over time in order to be able to show progress in all areas.

**HUMAN RIGHTS & WORKING CONDITIONS**

HTF LLC strongly believes that employees are a company’s most important resource and the respect for human rights forms the basis of any successful business. Suppliers of HTF LLC shall respect all internationally recognized human rights and treat all people with dignity. Suppliers should especially be aware of and respect the rights of indigenous people, vulnerabilities, including, but not limited to migrant workers, women, children and disabled people, as well as local communities in connection with the Supplier’s activities and operations.

HTF LLC expects its Suppliers to exercise human rights due diligence in order to identify, prevent, mitigate and account for negative human rights impacts of their own operations and supply chain with a focus on where they have the highest risks of doing harm to people, and appropriate to company size and circumstances.

***Child Labor Requirements***

HTF LLC does not tolerate child labor, and Supplier shall prevent all forms of child labor. The minimum working age is the age of completion of compulsory school, depending on local laws. But never less than 15 years. Children under the age of 18 years shall not be exposed to work that is likely to harm, especially the physical or mental health, safety or morals of these children. Supplier is furthermore encouraged to have adequate policies, risk awareness, risk assessment and due-diligence processes in place to prevent child labor throughout its supply chain.

***Employment Terms & Working Hours Require***

Supplier shall always respect and comply with applicable laws and collective bargaining agreements, if applicable, on working and resting hours, including overtime-working hours, as well as annual, sick and parental leave and any other applicable leave regulations.

***Health & Safety Requirements***

Supplier shall provide employees a safe and healthy working environment that minimizes the incidence of work-related injuries and enhances the quality of products and services, the consistency of production and worker retention and morale. This applies to Supplier’s production facilities and offices, but also to any company provided accommodation such as dormitories as well as any type of transportation provided by a Supplier to its employees.

Supplier shall ensure that its employees’ potential exposure to safety hazards, such as machines, equipment or substances, or other chemical, biological or physical agents, are identified, assessed and controlled through proper design and/or preventative maintenance and safe work procedures. Safety information shall be made available to everyone in order to educate, train, and protect the employees from safety hazards. Fire safety procedures shall, where available, be periodically reviewed and approved by local authorities.

***Forced Labor & Modern Slavery Requirement***

HTF LLC does not tolerate any forms of forced labor or modern slavery, including but not limited to forced, bonded or compulsory labor and human trafficking. Consequently, Supplier, including their recruitment agencies, shall not engage in or tolerate restrictions of movement, excessive recruitment fees, confiscation of identity documents and/or passports, withholding of wages, abusive working conditions, debt bondage, violence or any other kind of exploitation or abuse.

***Wages & Benefits Requirements***

Supplier shall always pay and provide its employees’ wages and benefits that, as a minimum, comply with applicable laws and collective bargaining agreements. Supplier shall provide its employees with information about their employment terms and conditions, including benefits, in a format and language they can easily understand, such as a written employment contract and a timely wage statement.

***Non-discrimination & Fair Treatment Require***

Supplier shall treat everyone with dignity and respect and provide equal employment opportunities and conditions based on the individual’s ability to do the job, regardless of employee or job applicant characteristics including, but not limited to:

• gender, gender identity or expression

• age

• nationality, race, ethnicity, skin color or cultural background

• religion or belief

• disability, genetics, or health information including pregnancy

• sexual orientation

Supplier shall not tolerate humiliating or physical punishment or allow any employee to be subject to verbal, psychological, physical, sexual harassment, or abuse.

***Social Commitment Requirements***

HTF LLC attaches great importance to the social commitment of its employees in associations or organizations. HTF LLC expects its Supplier to enable its employees to engage in such social activities as well.

**RESPONSIBLE SOURCING OF RAW MATERIALS**

HTF LLC believes that mining and trading of minerals and raw materials can generate income, growth and prosperity, sustain livelihoods, and foster local development. However, HTF LLC also recognizes the risks of contribution to adverse impacts such as human rights violations and conflict by improper mining operations. Supplier shall respect all internationally recognized human rights and conduct responsible supply chain management of any materials critical to the industries in which HTF LLC operates, and of those from conflict affected and high-risk mining areas.

***Responsible Sourcing Requirements***

Supplier shall exercise adequate due diligence with respect to sourcing, extraction and handling of tantalum, tin, tungsten, gold, cobalt, or any other material or derivative designated by the U.S. State Department, or any other recognized national or international institutions such as the OECD Due Diligence Guidelines, as a “conflict mineral”.

Supplier also shall make a reliable determination of the origin and source of such minerals. Suppliers must be able to disclose supply chain mapping back to the primary origin associated with the products or services provided to HTF LLC, its subsidiaries and affiliates for products that contain any “conflict mineral”. Suppliers are required to undertake adequate supply chain due diligence to ensure that “conflict minerals” are being sourced from mines and smelters outside Conflict Regions.

Suppliers shall have a policy and process in place to ensure that any of these conflict minerals contained in the products manufactured by the Supplier do not directly or indirectly finance or benefit armed perpetrators of human rights abuses or in any other way directly or indirectly contribute to human rights violations. HTF LLC requires our Suppliers to endeavor that all smelters and refiners in its 3TG, cobalt any other material or derivative, or “conflict mineral”, supply chain take part and actively engage in independent third-party audit programs. Supplier also shall provide any information on such smelters and refiners upon request to HTF LLC or, if sourced within the Conflict Region, from mines and smelters that have been certified by an independent third party as DRC conflict free. To the extent, any Supplier does not currently have this capability; such Supplier is required to promptly disclose its plans to do so. Suppliers shall make all disclosures to HTF LLC upon request within a timely manner.

***Hazardous Substances Requirements***

Supplier shall identify potentially hazardous substances in chemical products and articles used in its production and ensure that they are handled, transported, stored, recycled and disposed of safely. Safety information shall be available to educate, train, and protect employees from hazardous materials and employees shall have access to adequate personal protective equipment.

HTF LLC requires 100% declaration of all substances used in the products delivered to HTF LLC, reported through the material certifications.

**BUSINESS INTEGRITY**

HTF LLC believes that earning business fairly and in compliance with applicable legal requirements is essential to build trust with Supplier. HTF LLC requires its Supplier to conduct its business in the same way, especially in the following areas.

***Anti-Corruption***

Supplier shall not engage in, endorse nor tolerate any form of bribery or corruption, directly or indirectly. Supplier shall not offer nor accept any form of improper benefits to or from a third party, private or public, with the purpose of obtaining or retaining business or any form of preferential treatment. Gifts and hospitality are permissible based on normal business practice if the gift and/or hospitality is proportionate and does not influence the recipient's decision-making.

***Money Laundering***

Supplier complies with the applicable laws for prevention of money laundering.

***Fair Competition***

Supplier shall respect and comply with all applicable fair trade, competition and anti-trust laws and regulations and shall not have any anti-competitive discussions or enter into any anti-competitive agreements, including illegal price-fixing, market sharing, customer allocation or other illegal restrictive practices, at any level of the production or distribution chain.

***Conflicts of Interest***

Supplier shall do business in an open and transparent way to demonstrate that he is an honest and reliable partner. Further, Supplier shall conduct business in a manner that avoids situations where private, financial or other external interest’s conflict with the job responsibilities of the employee. Any situation where a HTF LLC employee or professional under contract with HTF LLC may have a personal interest of any kind in the Supplier´s business or any kind of economic ties with the Supplier must immediately be reported to HTF LLC through ordinary reporting channels.

***Intellectual Property Rights (IP) & Confidentiality***

Supplier shall respect HTF LLC confidential information and intellectual property rights by safeguarding against misuse, mishandling, counterfeit, theft, fraud or improper disclosure in accordance with applicable law and the contractual terms with HTF LLC. Supplier is encouraged to implement an information management strategy, including a policy, which ensures proper levels and thresholds as well as records for proper business integrity.

***Information Security***

It is of utmost importance that the supplier addresses the security interests and information security requirements of the HTF LLC and its customers. For this reason, all scopes classified with the appropriate classification (confidential / strictly confidential such as specifications, design and development data and other correspondingly critical information) must be processed and protected in an appropriate manner.

If an identified, significant case of a violation of information security has occurred, the HTF LLC buyer who is responsible for the supplier must be informed immediately by the Supplier.

***Data Privacy***

Whenever a Supplier is entrusted with personal information about individuals, Supplier shall safeguard it and take appropriate steps to protect it from misuse. All applicable data privacy laws as well as the contractual terms with HTF LLC shall be observed when collecting, storing, using, processing or sharing personal information about individuals.

***Documentation***

Contracts are adhered to, taking into account changes in the framework conditions. HTF LLC expects its Supplier to ensure that all reports, records and invoices are accurate, complete, and do not contain false or misleading information.

***Financial Responsibility***

Supplier complies with the principles of proper accounting and financial reporting. Where required by law, Supplier shall provide information on the current financial situation. Social, tax and customs regulations are observed and complied with.

**CONSEQUENCES OF BREACHING HTF LLC COC**

HTF LLC verifies compliance with the standards and rules set out in this document and if needed by sustainability audits and assessments at Supplier production locations, as well as its entire supply chain.

Adequate handling of non-compliance cases is a key part of our comprehensive compliance management. HTF LLC does not tolerate non-compliant behavior regarding CoC for Suppliers. Suppliers, which violates this CoC for Suppliers, will be held accountable.

HTF LLC is fully committed to handling non-compliance cases adequately by:

- Taking all allegations seriously

- Investigating allegations efficiently and in a timely manner

- Assessing the facts objectively and impartially; and

- Taking adequate corrective measures and sanctions, in case an allegation is substantiated.

HTF LLC reserves the right to charge the supplier for additional costs resulting from non-compliance with the “CoC for Suppliers”.

**Section F – HTF LLC Supplier Forms**

Form Example #1 - Paint/Plate Supplier

Graphical user interface, application, Word

Description automatically generated

Graphical user interface, text

Description automatically generated

Form Example #1b - Raw Material Supplier

Graphical user interface, text, application

Description automatically generated

Graphical user interface, text, application

Description automatically generated

Form Example #2



**Section G – Supplier Quality Agreement - PLEASE SIGN AND RETURN**

Hydraulic Tubes & Fittings, LLC

“HTF LLC”

Supplier Requirements Manual

Agreement to comply with contents.

Rev 11-17-2022

Date Signed: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Company Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Location: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Authorized Contact Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Title: \_\_\_\_\_\_\_\_\_\_\_\_\_

E-Mail Address: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Phone Number: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Comments: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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