

We pioneer motion

Safe Products and Services

Product Safety and Product Conformity



The conformity of all processes, products and services with the legal requirements applicable at the time of placing on the market with regard to development, manufacture, use and properties, taking into account the state of the art and the justified safety expectations of the end users over the entire life cycle with the primary objective of not endangering the health and safety of persons.

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1. Scope of application

Every company in the supply chain is obliged to ensure the safety and conformity of its products and services. For this purpose, the legal regulations applicable in the respective countries and jurisdictions regarding product safety and product conformity must be ensured. These legal regulations are accompanied by normative requirements, such as IATF 16949, ISO 9001 or recommendations for compliance with the state of knowledge and technology (described in publications e.g. by VDA or VDMA).

All natural persons or legal entities that sell or provide goods or other services (products, processes or services) to the Schaeffler Group (Schaeffler AG and all companies in which Schaeffler AG directly or indirectly holds a majority interest) are subject to these legal and normative obligations.

In view of the legal requirement, suppliers **do not have to explicitly agree** to the commitment to supply only products and services that meet the above-mentioned requirements.

This obligation to comply with product safety and product conformity is summarized in the context of this brochure under the term “product integrity”.

Product integrity compliance describes the following claim:

The conformity of all processes, products and services with the legal requirements applicable at the time of placing on the market with regard to development, manufacture, use and properties, taking into account the state of the art and the justified safety expectations of the end users over the entire life cycle with the primary objective of not endangering the health and safety of persons.

2.1 Risk minimization and continuous improvement

Schaeffler and its supply chain have a responsibility to deal not only with new customers and their cultures, but also with changing consumer demands and country-specific laws and requirements for products and services. This issue is at the heart of consumer and customer awareness. The informal, supra-regional networking between consumer protection organizations and authorities sometimes leads to an increasing number of product recalls, both voluntarily and ordered by the authorities.

In addition to the legally required product conformity, the justified safety expectations of customers, consumers and uninvolved third parties (the “general public”) regarding products and services must be determined and considered. In the case of products and services that are found to be unsafe in the market, each company in the supply chain is obliged to take the necessary measures to protect the customer, consumer or uninvolved third parties (the “general public”).

2.2 Changes to the previous procedure

The current adjustment is based on Regulation (EU) 2019/1020 of the European Parliament and of the Council on “Market Surveillance and Conformity of Products” as well as new requirements of IATF 16949, the VDA booklet “Product Integrity”, and internally identified potential for improvement.

Suppliers of the Schaeffler Group must be able to confirm upon request that they are aware of and implement the essential requirements for product integrity. These include at least the following requirements:

- Knowledge of the requirements relevant to product safety and conformity.
- Adequate delegation of tasks, authorities, and responsibilities regarding product integrity to representatives of the own company.
- Designation of a qualified and certified PSCR - Product Safety and Conformity Representative.
- To have communicated the name and contact information of the PSCR to Schaeffler.

The answers of our suppliers to these demands as well as the demonstrated handling of this issue will transparently show where we see strengths and weaknesses in our suppliers and allow us to better assess our suppliers in comparison to their market peers.

3.1 Organization of product integrity

The fundamental responsibility for product integrity lies with the supplier's management. The supplier's management can delegate the responsibility for managing issues relevant to product integrity. These tasks do not necessarily have to be delegated to one person; depending on the supplier size and portfolio, they can also be distributed among several people or roles. However, there must be a definition of which tasks, responsibilities and competencies have been delegated to whom.

A PSCR must be appointed by the supplier for each delivery location.

3.2 PSCR qualification and certification

It is the supplier's responsibility to qualify its PSCR so that they can perform the supplier's obligations as a legal and natural person regarding product integrity.

3.3 Special requirements for suppliers in the VDA supply chain

Suppliers acting as business partners of Schaeffler Automotive Technology must have at least one PSCR trained by VDA-QMC or by a VDA-QMC license partner in their organization. However, the PSCR qualified in this way may train further employees of his own company and provide them with company certificates, the validity of which is accepted by Schaeffler AG.

3.4 Responsibility of suppliers PSCR

The supplier's PSCR is obliged to report deviations from product safety or product conformity in the products and services that concern its scope of supply to its business contact in the Schaeffler Group without delay.

3.5 Reporting obligations in the product life cycle during the development phase

Schaeffler must be notified of deviations in samples supplied to Schaeffler during the development process that do **not** comply with the agreed level of maturity regarding product safety or product conformity.

Example:

Messages of this type should be addressed to the Schaeffler business partner with the form "Sample release with safety-relevant restrictions".

Schaeffler requires a sample from the supplier for testing under real field conditions. If the supplier determines that the product for which he is responsible does not have the degree of maturity that allows the product to be used under real conditions, the supplier must communicate a qualified use warning to Schaeffler prior to the transfer of use. For this purpose, the supplier sends form 1 "Sample release with safety-relevant restrictions" to Schaeffler.

This procedure serves to protect against possible danger to test personnel and uninvolved third parties due to unforeseeable product behavior of the sample in the test or field application!

3.6 Reporting obligations in the product life cycle during series supply

Schaeffler must also be notified of deviations in manufacturing or service products during the order fulfillment phase that are relevant to product safety or product conformity.

Example 1:

A special characteristic shown on the supplier drawing (e.g. geometric dimension) is not compliant with due to manufacturing errors or, after compliance, is damaged by an internal transport error in such a way that the feature is outside its specification. If this is only noticed after the parts have been shipped to Schaeffler, immediate notification is required!

Example 2:

Sorting of products with safety-relevant features into "good" and "bad" parts is not carried out correctly by the service provider's employees due to an instruction error. If this is only noticed after the parts have been shipped to Schaeffler, immediate notification is required!

Reports of this type must be addressed to the Schaeffler business partner using form 2 "Deviation product integrity".

4. Expiration

4.1 Registration and qualification

Suppliers of the Schaeffler Group receive information on the Schaeffler Group's expectations regarding compliance with product conformity in the supply chain with the cover letter from Central Quality and Central Purchasing.

The supplier transmits or confirms the following information via SupplyOn or adequate alternative information channels:

- Confirmation of the supplier to know the basic obligations for product safety and conformity.
- Confirmation by the supplier to know the duties, powers, and responsibilities of a PSCR.
- Supplier's confirmation of having appointed a qualified, certified PSCR.
- Name/contact information: _____

Subsequently, the supplier is registered free of charge.

The supplier agrees that the basic ability to comply with product conformity may be verified by Schaeffler's supplier development department with quality assurance questions in an audit.

4.2 Escalation

Schaeffler suppliers who do not comply or only partially comply with the essential product integrity requirements go through the escalation process described in S 296001-6.

Schaeffler AG

Industriestrasse 1 – 3
91074 Herzogenaurach
Germany
www.schaeffler.com
supplier.product.safety@schaeffler.com

In Germany:

Phone 0180 5003872

From other countries:

Phone +49 9132 82-0

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