

PUBLIC



KONGSBERG

KM Supplier Quality Requirements



KM-MAN-0010 Rev. G

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Definitions / Abbreviations

8D	8 Disciplines (Problem Solving Method)
BCM	Business continuity management
BCP	Business continuity plan
EU SRR	European Union Ship Recycling Regulation
FAIR	First Article Inspection Report
GCP	General Conditions of Purchase
SP	Supplier Portal
ILO	International Labour Organization
ISMS	Information Security Management System
KM	Kongsberg Maritime
KM Technical Authority	KM Product or Engineering Technical Authority
KONGSBERG	Kongsberg Group
NDA	Non-Disclosure Agreement
NCR	Non-Conformance Report
OECD	Organisation for Economic Cooperation and Development
REACH	Registration, Evaluation, Authorisation and Restriction of Chemicals
RMI	Responsible Minerals Initiative
SA	Supplier Agreement
SCP	KONGSBERG Supplier Conduct and Principles
SQR	Supplier Quality Requirements
PO	Purchase Order
UN	United Nations

Document Description

The Supplier Quality Requirements (SQR) document formally defines the Kongsberg Maritime (KM) requirements and expectations for external Suppliers to deliver high levels of performance to Customers across all KM Products and Services. It applies to all companies who supply products and/or services to the KM Business.

KONGSBERG Values

KONGSBERG has the following core values as part of the Company strategy, achieving a world-class reputation through our people, working together and sharing ideas with a dedication to technical excellence, these are:

Determined

We are known for our drive and our persistence. We work hard to support our customers' missions and to meet our stakeholders' expectations. We set ambitious goals where our purpose is to make a difference for people and the planet.

Innovative

We have been an industrial pioneer for more than 200 years. On our journey we have always pursued improvements and redefined the standard of excellence in everything we do. We are dynamic by heart and being curious lies in our very core. We constantly strive to create value for our customers, shareholders and the society at large by pushing the boundaries of what is possible.

Collaborative

Our collaborative and inclusive behaviour is fundamental to our business. We work closely with our customers and share knowledge with our colleagues, suppliers and partners across the globe - to the benefit of our customers and our own competitiveness. Our people are our most valued asset and we pride ourselves to attract and develop world class employees. We are ONE KONGSBERG - making the impossible possible by performing together.

Reliable

Our customers and partners can trust us to deliver - always. We are an organization characterized by our corporate responsibility, integrity, and concern for health, safety and the environment. We are part of the solution - proudly creating products for a safer and more sustainable future.

Documentation

All parties supplying to KM are responsible for adherence to the latest version of the Supplier Quality Requirements and associated documents, that are available to view and download from the KM Supplier Portal (SP) at:

[Supplier Portal - Kongsberg Maritime](#)

Structure

Chapter 1: General Requirements

The KM mandatory requirements and expectations that a Supplier must comply with when conducting business activity, including regulation or supervision by the licensing authority.

Chapter 2: Additional Quality Management Requirements

Quality management requirements in accordance with ISO 9001, to improve the quality of the product or service delivered.

1. General Requirements

1.1 Supplier Responsibility

KM requires all its Suppliers to comply with the requirements as defined in this document, in accordance with any existing Supplier Agreements (SA) and Purchase Orders (PO) in place. KM first tier suppliers are responsible for ensuring these requirements are complied with at all levels of the supply chain.

As part of the KM procurement process, KM will continuously verify the Supplier's compliance to the SQR through supply chain reviews, assessments and audits. KM has high expectations of our Partners and Suppliers to ensure adherence to KM policies, processes and requirements. All results will be integrated into the KM procurement process including sourcing evaluation and selection.

The Supplier is required to:

- Ensure all requirements are flowed down within their company and communicated to sub-tier suppliers and sub-contractors.
- Inform their KM procurement contact immediately about any changes or issues, related to product and services to KM.
- Show a proactive engagement in addressing all KM requirements including any changes in Customer and Regulatory requirements that may occur.
- Notify their KM procurement contact in writing immediately when they become aware of any potential safety issue(s).
- Support KM as required to resolve any identified issues related to the Supplier's products and services.

1.2 Supplier Conduct Principles

All Suppliers to KONGSBERG are required to follow the Supplier Conduct Principles (SCP) to ensure that all business is conducted in accordance with internationally recognised requirements as listed below, including but not limited to, human rights, diversity and equal opportunity, occupational health and safety, labour rights and working conditions. Internationally recognised principles and conventions include UN global Compact, ILO conventions, OECD Guidelines for Multinational Enterprises, United Nations Guiding Principles on Business and Human Rights, and UN Conventions on Children's Rights.

The KONGSBERG SCP is applicable at all levels of the supply chain. KM will regularly conduct assessments of Suppliers through business reviews, questionnaires and audits. KM expects its Suppliers to collaborate in the identification and mitigation of risks and provide any relevant information to KM that is identified.

1.3 Export Control

The Supplier shall provide required information and documents to enable KM to comply with national and international applicable laws and regulations on export control, incl. notifying KM of the export control classification for the Goods or Services. The Supplier will not use or permit the use of, export or transfer (by any means, electronic means or otherwise), any information or Products which are subject to export control laws and regulations without complying in all respects with the applicable export control laws and regulations.

1.4 Conflict Minerals and Product Content

Suppliers are required to comply with European Union Conflict Minerals Regulation (EU) 2017/821 and the United States Dodd Frank Act. Suppliers are required to not deliver materials or components to KM that contain substances that do not comply with the laws and regulations regarding Conflict Minerals.

Suppliers are required to comply with Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), Restrictions of Hazardous Substances (RoHS) and European Union Ship Recycling Regulation (EU SRR). KM requires its Suppliers to collaborate in the identification of materials of concern and provide necessary information to KM.

1.5 Health, Safety and Environment

Suppliers are required to make suitable provision for the health, safety and welfare of their employees, visitors, contractors and those in the community who may be affected by their activities. KM will collaborate with its Suppliers, Partners, and Contractors to develop an open relationship and culture of learning in relation to health, safety, and environmental incidents. We encourage the sharing of best practice and information that will improve HS&E performance throughout the supply chain.

1.6 Sustainable Supply Chain

KM expects all Suppliers to be committed to Sustainability, Environmental and Corporate Social Responsibility improvement including collaboration with KM to deliver goals and targets supporting this area.

All Suppliers should have environmental improvement plans in place including the reduction of pollution and emissions. KM is looking for its strategic Suppliers to achieve best practice in this area including:

- The evaluation and mitigation of the environmental impact of its own services throughout the product lifecycle, including its own Operations and Supply Chain footprint.
- Sustainable consumption of resources in their business operation, in order to achieve sustainable growth that respects the environment and the rights of future generations.
- Development of new capabilities and technologies to support environmental improvement.

1.7 Quality Standards

Suppliers are required to have a quality management system according to ISO 9001 or equivalent. Suppliers that handle KM business information as part of the delivery or service shall maintain an Information Security Management System (ISMS). It is recommended that the ISMS is compliant with ISO/IEC 27001 or equivalent.

Suppliers should comply with ISO14001 and ISO45001 or equivalent.

Suppliers should preferably be certified according to the standards mentioned above.

1.8 Information Handling

The Supplier shall treat all information exchanged with KM in accordance with and as defined in a valid Non-Disclosure Agreement (NDA) or the General Conditions of Purchase (GCP) referenced to in a PO.

The Supplier shall ensure that all information received from KM shall be protected according to KM's requirements. The Supplier must provide suitable controls, which effectively prevent that assets and parts containing KM information can be unauthorized accessed or in other ways become subject to information security breaches. It lays in the responsibility of the Supplier to apply this to the relevant Suppliers' sub-tiers and service providers. Agreements shall be established and maintained in the Supplier's supply chain to ensure that relevant information security requirements are implemented on both sides.

1.9 Business Continuity and Disaster Recovery Management

The Supplier is required to:

- a) Establish Business Continuity Plans (BCP) that ensures the organisation can continue to operate in the event of a serious incident and can recover to an operational state within a reasonable period, which ensures that all obligations towards KM can be fulfilled.
- b) Inform KM Procurement as soon as possible in writing regarding, including but not limited to the following:

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- Any severe HSE incidents (i.e. fatality)
 - Risks that could impact upon the continuity of the Supplier's business / operations
 - Any change in ownership structure or discontinuation of business activities
 - Changes to Third party or other party certification including, lapse / withdrawal (e.g. changes in ISO9001)
- c) Submit risk register and business continuity plans, based on written request from KM.

2. Additional Quality Management Requirements

2.1 Infrastructure

The Supplier is required to have a process in place to ensure all infrastructure(s) is determined, provided and maintained to a level that products and or services are supplied in conformance to KM requirements. This process shall consider matters including but not limited to people, capability, property, facilities, equipment, material and software. These requirements are consistent with ISO9001.

2.2 Control of Documented Information

The Supplier is required to:

- a) Comply with KM's standard configuration and revision control on all documented information, in relation to products and services provided to KM.
- b) Control records related to KM Product and or Service in a manner that will allow the timely recovery of a readable version of any records (including electronic records) by ensuring that:
 - Records are retrievable on request within a reasonable time. In the event of a product safety incident, records are retrievable on request within 48 hours.
 - Documents / records requiring authorisation by KM are written in English or dual language (i.e. the Supplier's national language plus an accurate English translation made from the original document / record)
- c) Ensure that hand-written amendments to records are dated, named and signed in ink, with the original information being legible after the change.
- d) Ensure that, where reasonably possible Supplier's employees that interface with KM can communicate in English.

2.3 Design and Development of Products and Services

If the product design is owned by the Supplier, all design and development activities needed for products and services are required to be planned and controlled through an established, implemented and maintained process, including but not limited to the following:

- a) Planning design stages
- b) Determination of design inputs required
- c) Design and development controls (review design outputs meet input requirements)
- d) Change control/ Controlling Risks according to SQR section 2.11
- e) Engineering competence and design tools according to SQR section 2.1

2.4 Control of Externally provided Processes, Products and Services

Suppliers are required to:

- a) Select, manage and monitor key sub-contractor / sub-tier suppliers through the following controls:
 - Assess sub-tier suppliers capability prior to placing orders
 - Undertaking oversight prioritised based upon risk
 - Communicate (flow down) relevant selection of requirements to key sub-contractors / key sub-tier suppliers
 - Ensure sub-contractors / sub-tier suppliers should fulfil ISO9001 requirements
 - Evaluate root cause activities where non-conformances occur
 - Measure performance:
 - Delivered product quality
 - Customer disruptions / customer returns
 - Delivery schedule performance
 - Conduct load and capacity reviews with key subcontractor / sub-tier suppliers annually or following significant load increase
 - Identify areas for continuous improvement in cost, quality, and service including the key sub-tiers to our operations and products
 - Take appropriate containment and corrective action with poorly performing subcontractor / sub-tier suppliers
- b) Specify the supporting documents required with the purchased product or service confirming compliance to specifications.
- c) Maintain records of procurement and sub-contracting.

2.5 Supply Chain Operations

The Supplier is required to establish a planning and manufacturing process to deliver the product or services to KM. The process shall include, but not be limited to:

- The planning, scheduling and management of production and/or service capacity
- The availability of resources (incl. employees' competence, backup plan)
- The monitoring of the effectiveness of process, labour, equipment
- The control of purchase activities

2.6 Prevention of Counterfeit Parts

A counterfeit part is defined as an unauthorized copy, imitation, substitute, or modified part (e.g., material, part, component), which is knowingly misrepresented as a specified genuine part of an original or authorized manufacturer.

The supplier shall ensure that only new and authentic materials are used in deliveries to KONGSBERG.

The supplier shall plan, implement and control appropriate counterfeit parts / material prevention and control processes to ensure that counterfeit or suspect counterfeit parts are not used in the manufacturing of, or included in, products delivered to KM. Without delay upon retrieval of information on suspect counterfeit parts, the supplier shall inform KM with a proposed corrective action.

2.7 Product and Production Validation and Verification

The Supplier is required to have a process in place to verify that products have been produced, tested, and inspected according to the KM Technical Specification, the Supplier's quality assurance procedures and KM defined requirements.

The Supplier is responsible for conducting all product & production verifications and testing both in house and at sub-tiers suppliers in line with the contractual agreement with KM.

KM may require additional documents to be provided prior to the delivery. Any exceptions, limitations, or changes from this shall be communicated, recorded, and documented.

Form can be found on [Supplier Portal - Kongsberg Maritime](#)

2.8 Measurement Management

The Supplier is required to have had experience of delivering in accordance with KM defined specifications. The equipment used for the final verification shall ensure independence to the measurement management used during manufacturing.

2.9 Identification and Traceability

The Supplier is required to ensure that in the event of a defect with products and or services, all applicable information required to identify potential root cause, and for containment related to component/material including any batch which may be impacted (unless defined otherwise in the specification), can be accurately identified and recalled at KM's request. The Identification and Traceability requirements includes the following:

- a) Maintaining traceability of raw material to component(s) level or final product and PO
- b) Unique identification

2.10 Packaging Requirements

The Suppliers are required to ensure that products are packaged, marked and shipped to a defined international standards for applicable goods and means of transport or as expressly defined in the contract agreed with KM, such that it provides adequate protection against damage, deterioration and tampering during shipment, storage and distribution.

Where the size and/or weight of the package may pose a risk to safe manual handling, the Supplier shall ensure safe loading instructions are in place for the safety of the employees and to protect the integrity of the product, unless those instructions have been provided by KM.

Requirements can be found on [Supplier Portal - Kongsberg Maritime](#)

2.11 Change Control and Controlling Risks

Prior to manufacturing a product and or developing a service for delivery to a KM Customer, the Supplier is required to provide:

- a) An inspection and test plan related to product measurement
- b) Project/quality plans agreed with KM

These requirements shall be agreed with the KM Technical Authority prior to commencing work to ensure the Suppliers' manufacturing processes are capable of maintaining tolerance levels required by KM Technical Authority.

The Supplier is required to assess any change with respect to its effect on quality, delivery and costs of products and services agreed with KM. Whenever a change affects these aspects or other agreements with KM, KM Procurement must be contacted immediately in writing.

- Process including key sub-tiers (as agreed for the product & production verification and validation, and reflected in the inspection and test plan)
- Organisation
- Design & materials
- Facilities

2.12 Control of Non-conforming Output

The Supplier shall have a process in place to ensure that any product and services output which does not conform to KM requirements is identified and controlled to prevent its unintended use or delivery to KM.

2.13 Concessions

A concession is required in any case a Supplier need to request the approval from KM to deliver a whole product or part of a product or service (for delivery to a KM Customer) which does not conform to KM specified requirements.

The Supplier is required to:

- a) Segregate and identify the products under concession following the non-conformance product requirement until the decision has been received from KM in writing
- b) Complete and submit the concession form associated with this activity to KM procurement
- c) Ensure that written authorisation by KM Technical Authority prior to the shipment of a product which does not conform to specified requirements
- d) Take appropriate corrective action and document the same within the concession form
- e) Mark the product as indicated on the concession

Form can be found on [Supplier Portal - Kongsberg Maritime](#)

2.14 Control of Reworked Products

The Supplier is required to:

- a) Segregate and identify the products to be re-worked following the non-conformance product requirement.
- b) Rework product such that it complies with KM specifications or to an agreed rework procedure as expressly authorised by KM in writing.
- c) Ensure that instructions for rework, including re-verification / inspection requirements are accessible to and utilised by the appropriate personnel.
- d) Work actively on improvements to reduce proactively the number of reworked products.

2.15 Non-Conformity and Corrective Actions

All Suppliers should aim to ensure Zero Defects on all KM Products and services supplied.

In the event of a Non-Conformity that affects KM, the Supplier is required to:

- a) Inform KM immediately of the issue and any impact on product delivered and customers affected
- b) Put in place immediate containment actions related to the Non-conformity and communicate those actions to KM.
- c) Perform thorough root cause analysis of nonconformities for KM Products and Services.
- d) Ensure that any root causes identified are addressed with mitigating and corrective action plans that are approved in writing by KM.
- e) On written request by KM submit an additional 8D-report (or similar)

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- f) Submit a 8D-Report for all product quality escapes.
- g) Ensure the continuity of supply of conforming product to KM, while all non-conformities are being investigated.
- h) Constantly work on improvements to reduce proactively the number of non-conformances.

Template can be found on [Supplier Portal - Kongsberg Maritime](#)

Appendix 1: Document Index

Index	Document/Regulation
KOG Legal	Non-Disclosure Agreement (NDA)
KOG-DIR-0070	Data Protection Agreement (DPA)
KM-TMPL-0134	General Conditions of Purchase (GCP)
KOG-DIR-0038	KONGSBERG Supplier Conduct Principles (SCP)
ISO9001:2015	Quality Management Systems - Requirements
ISO14001:2015	Environmental Management Systems- Requirements
ISO45001:2015	Occupational Health and Safety Management Systems - Requirements
ISO27001:2013	Information security management Systems - Requirements
EC 1907/2006	Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH)
Directive 2011/65/EU	Restrictions of Hazardous Substances (RoHS)
(EU) 1257/2013	European Union Ship Recycling Regulation (SRR)
(EU) 2017/821	European Union Conflict Minerals Regulation
	United States Dodd Frank Act - Section 1502
	Export Control Regulations
KM-FORM-0040	First Article Inspection Report
KM-TMPL-9600	Initial Sample Report
KM-MAN-0012	Packaging and Shipping Requirements
KM-FORM-0041	Concession
KM-FORM-1100	8D and Problem Solving

Contact

Queries regarding the Supplier Quality Requirements, please send an email to:
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