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1 Management System(s)

ISO 9001, IATF 16949

2 Scope / Context of the organization

The requirements described in this regulation shall be implemented in all sites and remote locations.

Inputs from customers, factories, development departments as well as state of the art and science besides all applicable statutory (e.g. product safety), international, local and internal standards shall be considered.

Quality policy and quality philosophy are assumed from TDK (see blue part in section 5).

3 Purpose / Objective

The TEG Quality Policy described in this regulation is consistent with the value of our company. It is aligned with the company's vision and provides a framework for the setting of quality. With the help of this regulation the whole organization is informed about the TEG Quality Policy, principles and objectives.

The company policy is appropriate to the purpose of the context of the organization and supports the strategic direction.

3.1 TDK Foil Quality Policy

TDK Foil Quality Policy aims to establish permanent processes of continuous improvement in order to increase quality standards according to the expectations of customers and interested parties and to ensure the diffusion of a culture based on quality within the company.

4 Responsibility (process owner, regulation owner)


Quality policy, quality objectives and strategic direction of the organization are established by the top management. Top management is the overall process owner.

Responsibilities and Authorities

All TEG employees are responsible for the quality of their work and are expected, through their commitment and personal achievements, not just to maintain customer satisfaction (including that of internal customers) but to increase it.

The top management sets out the basic goal within the parameters of corporate policy, and monitors the results. Responsibility for quality management within the company is assumed by a member of the Management Board, who appointed the head of TQ as Management Representative of the company.

Heads of Business Groups bear responsibility for ensuring that the QM concept is implemented in their respective groups, and that the quality targets for their products and services are met. They set out an organizational structure for the implementation of quality assurance, tailored to their particular organizational unit and including responsibilities and procedures, in the quality manual. They are responsible for putting the BG specific QM system into operation and monitoring its application. If the organizational unit appoints subcontractors outside its own

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group then it bears sole responsibility.

Managers have a special responsibility to motivate employees to "think quality" and "act quality", through good communication and management by example.

This is achieved through

- clearly defined goals;
- recognition of and acknowledgement of effort and success;
- provision of suitable resources and support;
- promotion of personal initiative, communication and teamwork.

All employees are expected to continually improve the quality of their work. Committed involvement in quality groups and the "suggestions" system can be useful tools here.

Qualification and training measures in all areas of work enable management and employees alike to assume responsibility for their own contributions to quality.

5 Description (start / important single steps / end)

The main company objective is to advance to zero defects. With this approach the company achieves continuous quality improvement and market leadership regarding quality orientation. The activities in planning, design, development and manufacturing shall prevent deliveries of defect products.

At the same time it goes that quality cannot be assured by final inspection.

Taken over from TDK Corporation:

- [Basic philosophy: Advance to Zero Defects](#)
- [Quality policy: Quality cannot be assured by final inspection!](#)

5.1 Our commitment to quality


The quality of our products and services is an essential part of our corporate strategy with the main objective of customer satisfaction. For us, quality means providing products and services that offer maximum benefit to our customers worldwide as well as to understand the needs and expectations of all our interested parties. Quality also means ensuring competitiveness and thus securing our future, by continuous maintenance of our growing organizational knowledge.

Consistent application of a quality management system results in flawless products and a high level of user benefit from our components. It creates excellent quality of logistics and services and guarantees attractive price/performance ratios.

Our quality management system is always in line with the most stringent international standards.

We set ourselves high aims with our quality programs, and it is the special responsibility of our managers to ensure our aims are met by constantly encouraging their staff to "think quality".

Under consideration of risk-based thinking, this means actions are planned and implemented to address risks and opportunities. This is the basis for increasing the effectiveness of the quality management system, for achieving improved results and preventing negative effects. Our efforts are focused on applying our quality management expertise to all processes and continually improving them, including control of externally provided processes, products and

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services.

All employees are expected to gear their day-to-day activities to our most important goal: total customer satisfaction.


5.2 Corporate targets

Our aim is to play a leading role among the most competitive companies in the world in the field of electronic components. Our outstanding achievements in technological progress and our comprehensive quality management system together form a solid basis for achieving this objective. All functional areas involved in planning, creating, maintaining, improving and demonstrating quality are part of this system. All measures within the quality concept are geared to ensure optimum customer benefit.

In particular, this includes

- applying control to all processes
 - ▶ continuous improvement programs for reducing existing process tolerances and improving quality and yields;
 - ▶ systematic management and control of the processes through clear definition of responsibilities, documentation of process sequences and a system for document administration;
 - ▶ by use of the Plan-Do-Check-Act cycle;
 - ▶ and risk-based thinking;
 - ▶ through checking the effectiveness of our existing management system standards.
- improving productivity
 - ▶ continuous optimization of personnel and material resources.
- Strengthen innovative capacity
 - ▶ putting customer benefit first in all development projects;
 - ▶ determining customer needs in collaboration with customers themselves and ensuring swift implementation of their wishes;
 - ▶ providing the necessary resources and fostering creativity among the workforce;
 - ▶ saving organizational knowledge.
- understanding the needs and expectations of interested parties
 - ▶ by risk assessment in our e.g. in process data sheets or process models (like turtle or SIPOC (Supplier – Input – Process – Output – Customer)).
- employee orientation
 - ▶ using training and delegation of responsibility to ensure that employees identify with the corporate aims;
 - ▶ encouraging employees to take responsibility for their own actions.
- conservation of the environment
 - ▶ avoiding environmental pollution caused by both processes and products as well as using natural resources as economically as possible.

5.3 Controlling

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Quality controlling is one of the elements of quality management applied within companies. Its function is to keep quality targets and measures in line with overall corporate targets on an ongoing basis, thus providing support for group management. Quality controlling includes the following:

- targets meetings and business brainstorming sessions held on a rotative basis
The key quality management topics are discussed at six-monthly target meetings and business brainstorming sessions held between the Management Board and the management of the various groups in turn. Quality targets and schedules are agreed, and their implementation monitored. The interested parties and their relevant requirements shall be considered.
- benchmarking against competitors and exchange of best-practice experience
To determine their own positioning among the global competition, the groups analyze their own strengths and weaknesses in all processes by benchmarking against their strongest competitors.
- management reviews and quality audits
Those responsible in the Business Groups and Business Divisions take turns to assess the progress and impact of their own quality management systems in management reviews and quality audits.

6 Review - frequency

The process is reviewed for effectiveness and revised, if a change of the process or of its parameters is carried out, or no later than three years after the date of the last revision.


7 Input / Supplier (internal / external)

Input	Supplier
Customer requirements	Customer
International Standards	Standardization organizations
Strategy of the organization	TDK HQ QA
Objectives of the organization	TEG Management Board

8 Output / Customer (internal / external)

Output	Customer
Definition and deployment of particular quality policies in manufacturing sites and remote locations	TEG employees
Implementation of requirements from customers and International Standards in the quality management system	All levels of TEG quality organization

9 Indicators and measurement (frequency)

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10 Risks and opportunities

10.1 Risks

- poor quality focus due to insufficient provision of quality policy
- insufficient transfer of requirements in regulations

10.2 Opportunities

- Positive company image and thus improved business opportunities

11 Documentation / Organizational knowledge

Documentation and organizational knowledge is recorded in e.g. Corporate Guidelines and Corporate Standards. Those documents are published in our management manuals, published in the Intranet and available for all employees.

The defined company objectives and quality policy shall be communicated and achieved. Quality will be improved continuously with the help of these regulations.

Documentation and organizational knowledge:

- Quality Manual
- Audit Reports;
- QM Reviews;
- Process Descriptions;
- TDK Code of Conduct.