1. INTRODUCTION

This document provides an understanding of Rheinmetall Defence Australia's (RDA) Quality processes and our expectations from suppliers.

This document does not replace the specific requirements of any contract entered with RDA. Rather, it compliments and assists mutual understanding towards long term partnerships with our suppliers.

2. RDA QUALITY SYSTEM

2.1 Quality Objectives

The products that RDA and our suppliers manufacture is used by Defence & other personnel in arduous and dangerous environments. Defence requires equipment that works correctly, first time, every time: our Quality focus is always to protect those who protect us and our suppliers have a crucial role in achieving this objective.

2.2 Quality Management

RDA requires all suppliers to be accredited to a recognized QMS standard, such as ISO 9001 or AS9100, prior to qualification. This requirement is only relaxed under unique circumstances.

2.3 Other Standards

Rheinmetall often seeks manufacturers for parts, assemblies or processes designed overseas and under different regulatory environments. While there may be scope to consider Australian standards, equivalencies need to be reviewed at the time of quoting and changes formally approved.

RDA acknowledges that securing standards can involve cost for the supplier: RDA will provide a copy of the standard when possible but this should not be relied upon.

As Australian suppliers are part of the global Rheinmetall supply chain, there may be requirements to comply with overseas quality standards, the NATO AQAP family of standards (2070, 2105, 2110, 2131, 2210 etc.) a common example. If adherence to an overseas quality standard or framework is required, it will be articulated as part of the RFQ.

In addition to quality standards, RDA requires suppliers to meet all regulatory and statutory requirements applicable to the work package(s) supplied.

2.4 Quality Assurance Codes

QSBs are a three digit code related to a long form explanation of a quality or delivery requirement. QSBs are used to provide a far more concise and manageable summary of requirements within a RFQ, PO or work package.

Suppliers are requested to review the QSBs on receipt of any new requirements to ensure they have a correct and current understanding.

RDA QSBs are published through our external supplier website here.

2.5 Supplier Qualification

Qualification is a Quality process that seeks to reduce supply chain risk by identifying suppliers with quality and production processes that are suitable for producing at a sustained quality standard.

Potential suppliers for defined commodity requirements are first identified, engaged and onboarded by the RDA Procurement Department, with suitable candidates referred to the Quality Department for qualification.

Supplier Qualification is achieved through a quality and production processes audit following the VDA6.3 auditing standard, employed globally by Rheinmetall.

The VDA6.3 standard is very effective at providing a common baseline for all suppliers within the same commodity group and allows RDA to align its practice with the global Rheinmetall group of companies.

Rheinmetall auditing is specific to a particular manufacturing plant. If a supplier is to be considered against several plants, these will need to be individually audited.

2.6 Supplier Release

Successful completion of a VDA6.3 audit is required before a supplier is considered 'released' to supply products/ services to RDA.

Release refers to the Quality Department endorsement of a supplier to be considered by Procurement for a defined commodity or requirement.

As Supplier Qualification is generally conducted against defined commodities, there may be circumstances when a supplier needs to be re-audited to be released for a new commodity requirement.

2.7 Supplier Requalification

Under prescribed circumstances, a supplier's qualification may be revoked or frozen. This is typically the result of quality issues experienced, or if the supplier moves to a new facility or if the supplier introduces new quality or production processes. A supplier may also require requalification if an extended period of time has expired since the last audit.

Revoking a supplier's qualification does not affect current contracted work but will prevent the award of new work packages.

Requalification is achieved through successfully passing a new VDA6.3 audit.

2.8 Surveillance Auditing

Once in contract with a supplier, RDA reserves the right to conduct surveillance auditing. Surveillance auditing will generally be triggered by a request for a new scope of supply, in response to quality issues or other circumstances such as changes to the requirements, specification or requests for deviation during production.

Surveillance auditing may take a number of forms and may focus on process, the product under supply or both. Surveillance auditing may also be used to requalify an existing supplier.

2.9 Prototyping

RDA Quality processes are orientated towards deliveries to our customers. However, a routine function of product design and development is prototyping. Depending on the purpose of the prototype, suppliers involved in the process may be exempt from qualification. However, qualification will still be required if the supplier proceeds to serial production.

3 RDA EXPECTATIONS

3.1 Responsibility for Quality

Responsibility for product quality and the fulfilment of the defined requirements lies with the supplier in accordance with the conditions agreed at the time of contract.

3.2 Risk and Feasibility

All production processes include risk and our expectation is that suppliers undertake a feasibility analysis and assess the risk associated with any manufacturing process before quoting on work. Risk is to be actively managed throughout the production lifecycle.

3.3 Quality Planning

RDA expects all suppliers to embed quality planning into every aspect of their production processes. Quality planning should include, as a minimum: a documented process for ensuring control of

quality during production, defined inspection and approval gates and acceptance and release criteria for all products. In addition, quality planning should also include the management and rectification of any non-conformance or other issues identified by the supplier or RDA.

3.4 Certificates & Accreditation

QMS certificates, provided by an external accreditation agency, must be available on request. Similarly, any certificates for specified manufacturing processes are to be available on request. The supplier is responsible for ensuring they are suitably qualified for the work package being quoted and for manufacturing in accordance with the product specification.

Suppliers are to inform RDA immediately if a certification expires or is revoked.

3.5 Configuration Management

Suppliers are expected to control and account for the configuration of all parts, assemblies or products produced for or supplied to RDA.

The configuration management system utilized should be commensurate with the complexity of the product or manufacturing process.

3.6 Subcontractors

The supplier is responsible for the quality processes, products or services provided through the use of subcontractors or sub-suppliers. Suppliers should require their subcontractors to maintain a quality system suitable for the nature of the products or services they are providing.

If RDA mandates the use of a particular sub-supplier, the supplier is still required to exercise assurance control over the sub-suppliers work although responsibilities will be defined by the contract. Suppliers are encouraged to provide subcontractors with a copy of this Guideline.

3.7 Control of Defects

The supplier must maintain a system of segregating defective products so as to ensure uncontaminated supply to RDA. Defects should also be investigated to determine if any improvements are required in the production process and to prevent further instances of defects.

3.8 Records

Records of inspections and other quality processes are particularly important for Defence products. For instance, the ability to trace a quality issue to a particular batch or production run may minimise risks across an entire fleet or capability.

RDA suppliers are expected to maintain production and quality records in an accessible manner commensurate with the complexity of the part or assembly produced.

3.9 Archiving

The supplier is obliged to retain documentation created as part of completing a contract, PO or work package in accordance with the statutory regulations and in accordance with the contract requirements.

4. PRODUCTION QUALITY

4.1 Deviations

Any deviations from the agreed or contracted specification must be requested through a Request for Deviation and approved by the Design Authority Representative (DAR) within RDA. The RDA Quality Department will confirm and inspect for approved deviations as part of FAIs and Incoming Goods inspections. Goods delivered with non-approved deviations will be rejected or held in quarantine until a determination is made by the Design Authority.

Requests for Deviation are to be requested through the POC provided as part of the work package or contract.

4.2 First Article Inspections

First Article Inspections (FAI) is the conduct of a rigorous inspection of the first item produced, and the production processes used. A successful outcome from the FAI is required before serial production is approved.

FAIs are common in Defence and other precision manufacturing endeavours, with the requirement for an FAI determined by an engineering risk assessment. RDA also utilizes different levels of FAI scrutiny, referred to as Submission Levels, depending on the risk being addressed by the FAI.

FAI requirements are captured as part of the contracting process and will generally be detailed by a QSB.

4.3 Series Production Release

If a FAI is required as part of the work package, the FAI must be approved by RDA before series production commences.

4.4 Incoming Goods Inspections

All parts, assemblies or products delivered to RDA undergo an incoming goods inspection. The purpose of the inspection is to ensure compliance with the contracted specification, with the level of inspection associated with the part complexity or production risk. The incoming goods inspection requirements must be passed before RDA accepts delivered parts, assemblies or products.

4.5 Non-Conformance

Parts, assemblies or products that fail to meet RDA Quality requirements will be identified as a non-conformance and a non-conformance report (NCR) will be provided to the supplier.

NCRs are tracked against each supplier and, in the event of elevated levels of non-conformance, this may result in a supplier's qualification being revoked.

4.6 Corrective Measures

Responses to NCRs or other customer complaints must be processed promptly and a suitable response provided to RDA within the timeframe defined.

RDA expects suppliers to utilise a recognized root cause analysis methodology, such as 8D, when investigating NCRs, and a formal written response will be required under most circumstances.

4.7 Traceability and Labelling

The supplier shall ensure the traceability of all products delivered. In addition, suppliers are expected to be able to account for raw materials or other supplies utilized in production.

Correct labelling of delivered goods, both externally on packaging and individual item tracking, including serial numbers and unique identifiers, is a critical aspect of traceability. Item labelling requirements will generally be captured as part of the contract or product specification, while labelling of packaging is captured in the contract or PO.

4.8 Delivery Documentation

RDA will require a range of documentation to be provided with each delivery. The specific document requirements will be captured in the contract or PO with further detail provided by QSBs. Failure to provide correct documentation may prevent acceptance of the delivery.

5 SECURITY

RDA requires all suppliers to be able to protect any sensitive or commercial information provided to the supplier whether for the purposes of engagement, quoting or under the terms of a contract.

Depending on the nature of the information, more strenuous security requirements may be imposed under DISP or other Government requirements as part of Defence Industry requirements.

6 RDA POC

The preferred POC for all suppliers, both current and existing, is the RDA Procurement Department. While the RDA Quality Department will always seek to support supplier enquiries, Procurement is the enduring POC in supplier relationships and is best placed to direct supplier queries to the appropriate RDA department for action and to monitor response.

7. CONCLUSION

Effective partnerships are built on a clear, transparent and concise understanding of the expectations of both parties. While not exhaustive, this document is intended to provide potential and current suppliers with an understanding of the RDA Quality System and our expectations of suppliers as an important contributor to building an effective customer-supplier relationship.

Revision	Description	Date
1.0	Initial Release	28/06/2021
2.0	RIMS Conversion and First Release	30/10/2021
3.0	Converted to an external template	24/04/2024