IMS Global Gear & Machining
INNOVATIVE MANUFACTURING SOLUTIONS

Supplier Manual

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1- NEW PRODUCT APPROVAL

Unless exempted by your Global Gear and Machining (GGM) Quality Dept. representative, a PPAP (Production Part Approval Process, per AIAG) at a stated PPAP level will be required of all suppliers for new products to help meet the requirements of ***Global Gear and Machining (GGM)*** *customers.*

Suppliers to GGM shall use the Production Part Approval Process (PPAP) per the latest AIAG edition, for all new parts supplied. *It is the responsibility of the GGM Purchasing to include PPAP requirements (when given to them by Quality) on the purchase order sent to the supplier.* In the event that GGM PPAP requirements are unclear, contact the applicable GGM Quality Engineer, Quality Manager or Materials (Purchasing) Manager BEFORE processing the order so that requirements are fully understood.

2- QUALITY AND DELIVERY

GGM requires that suppliers provide defect-free product on-time, material or services to GGM requirements (per RFQ, Purchase Order, emailed instructions, or other means) for packaging, labeling, shipping and associated documentation. For raw materials, lab certs are required with chemical and applicable mechanical properties to be sent with the material or separately via email, and must be conforming to applicable spec or other stated requirements. For processed product (heat treat, coating, plating, etc.), a certificate of conformance is required, *and inspection, measurement or test results must be conforming to stated spec or requirements.*

Receiving inspection at GGM will consist of verification of accuracy of associated paperwork (part # and quantity or weight) to match what was physically received, and visual inspection to identify any non-conformances or damage in transit. It is expected that documented quality inspections performed at the supplier *during processing* be made available to GGM upon request.

It is required that outside process suppliers (automotive products) will submit their annual Continual Quality Improvement (CQI) System Assessments to the GGM buyer *(materials/Purchasing Manager)*, and that suppliers will address any non-conformances found in their *CQI* assessments with a corrective action process. See applicable CQIs below:
CQI-9 Heat Treating
CQI-11 Plating
CQI-12 Coating
CQI-15 Welding
CQI-17 Soldering
CQI-23 Molding
CQI-27 Casting
Failure to comply with this requirement and submit the associated assessment report to the GGM may result in notification to the GGM customer requiring it, whose decision may result in re-sourcing to another vendor/ supplier who does have a current CQI.

Suppliers are responsible for maintaining current *drawing/*print revisions provided by GGM. The supplier will be notified and provided with updated prints when an engineering change occurs.

GGM is required to provide products to its customers 100% on-time. Therefore, GGM expects that suppliers will provide for the arrival of products, materials or services by the agreed upon date on the Purchase Order. Any delays that will cause the purchased product or services to be late must be communicated to the appropriate GGM contact **as soon as the delay is anticipated,** so that GGM can give fair warning to its customer, if necessary. Late deliveries to GGM customers caused by suppliers may result in a Supplier 8D or 5-Why Corrective Action Report being issued to the supplier.

GGM expects supplier scores to be *=> 90%.* Appropriate planning information and purchase commitments will be provided to enable suppliers to achieve this expectation.

A) **100% - 90%**	Supplier performance meets expectations.
B) **89%-70%**	Supplier performance is acceptable, isolated minor problems.
C) **69%-50%**	Supplier performance is marginally acceptable. Identified as high risk.
D) **Below 50%**	Supplier performance is unacceptable. Notification to *GGM* customer.

3- SUPPLIER PRODUCT CERTIFICATIONS

When required per purchase order, a Certificate of Conformance or Analysis that includes mechanical test results and/or raw material breakdown shall accompany, be faxed upon receipt, or sent via email (same info above or below on supplier Packing Slip or BOL will suffice):

- Product ID (production materials, production or service parts, heat treating, coating, plating, grinding or other finishing services) + any applicable spec;
- Inspection, measuring results;
- The company name and address that supplied the product/service.
- The part number or material identification with revision level if applicable.
- A statement of conformance.
- The inspection authority responsible for release of the product/service.

4- NON-CONFORMING PRODUCTS, MATERIAL OR SERVICES

When nonconforming product from *a vendor is detected during GGM receiving inspection, or after, a GGM representative notifies supplier of a rejection, and* documented containment action is required from the supplier within 24 hours. The notice may be accompanied by an 8D Corrective Action Report. Upon request *by GGM,* the supplier must submit a completed corrective action (may use supplier's format, if preferred) within ***15 business days*** to the attention of the Materials *(Purchasing)* Manager *or* Quality Manager. In the event additional time is required for full implementation, the supplier may request an extension. Evidence of corrections and implementations must be submitted with corrective action report. A 2nd party audit at the supplier may be scheduled depending on the supplier monthly review.

4.1- Supplier Escalation Process:

CRITERIA (Negative Events)	***CONTROLS OR ACTIONS***	***REDUCTION OF CONTROLS***
Packaging or paperwork error, not impacting the GGM customer.	• *Verbal or email notification to supplier.*	*NA*
Defective product from supplier, detected at GGM receiving inspection or afterwards.	• *Verbal or email notification to supplier.* • *Depending on severity, CA will be issued.*	*NA*
Supplier did not return completed corrective action report on time agreed.	• *GGM will escalate at supplier organization higher level.*	*NA*
Repeated packaging or paperwork error within 12-month period, whether it impacts customer or not.	• *Nonconforming notice* • *Issuance of Corrective Action report to be completed by supplier.* •	*NA*
3rd defective product received (repeat or not) within 12 month period.	• *Nonconforming notice + issuance of Corrective Action report to be completed by supplier.* • *Skip lot inspection removed at GGM* • *GGM will schedule audit with supplier.* • *Notification to GGM customer.* • *Probationary notice.* • *NEW BUSINESS HOLD*	*6 consecutive months with zero defects.*
Customer disruption, 5 or more later deliveries per month, 3 consecutive months with quality issues.	• *Notification to customer request for supplier change.* • *Moved to high risk on form 2144* • *Responsible for containment actions at Customer.* • *GGM will schedule audit with supplier.* • *Notification to GGM customer.* • *Probationary notice.* • *NEW BUSINESS HOLD*	*12 consecutive months with zero issues.*

5- SUPPLIER DEVELOPMENT

GGM suppliers MUST be 3rd-party certified to ISO 9001:2015 as a minimum acceptable level of Quality Management System (QMS) development *(unless waived by the GGM customer)*, **and ISO 9001:2015 certificates** must bear the mark of the IAF (International Accreditation Forum) *and/or* that of its recognized accreditation body (normally ANAB or A2LA in the U.S.), and where that recognized *accreditation body's* main scope includes management system certification to ISO/IEC 17021.
GGM suppliers in the automotive supply chain currently certified to the current version of the ISO 9001 standard, *should adopt the ultimate objective of certification to the automotive QMS standard-IATF 16949 through 3rd party audits (by an IATF recognized certification body), per IATF 16949 section 8.4.2.3.*

*Eligible organizations to achieve certification to the automotive standard are described in the current edition of the IATF publication "Automotive Certification Scheme For IATF 16949, Rules For Achieving and Maintaining IATF Recognition." It states, "Only **manufacturing** sites where production, service parts, and/or accessory parts that shall be mechanically attached or electrically connected to the vehicle are manufactured and supplied to automotive customers are eligible for IATF 16949 certification." It further describes that "manufacturing shall be understood as the process of making or fabricating production materials, production of service parts, assemblies, or heat treating, welding, painting, plating, or other finishing services of automotive-related parts." If necessary, we will obtain further clarity from our own IATF 16949 certification body.*

Generally, mere distributors who do not manufacture, and do nothing to the product they distribute, are not eligible for IATF 16949 certification. However, any distributers in the automotive supply chain must ensure that their manufacturing suppliers (mills, etc.) *who make the product they distribute,* are ISO 9001 certified at a minimum.

GGM's IATF 16949 supplier development responsibility includes a plan for conducting second-party audits of suppliers, based on risk analysis, supplier performance (quality or delivery), or quality management system (QMS) certification status. GGM will determine the audit need, type, frequency and scope of second-party audits. When warranted, GGM will arrange to conduct an audit at the supplier's manufacturing facility, per the guidelines of IATF 16949 section 8.4.2.3. Non-conforming audit findings may result in a corrective action request.

The GGM Materials (Purchasing) Manager monitors and maintains supplier performance scorecards after each calendar month. Scorecards are issued when supplier performance is less than expected, or at supplier's request.

All GGM calibration sources must be certified to ISO 17025 by an ILAC (international organization for accreditation bodies operating in accordance with ISO/IEC 17011 and involved in the assessment and accreditation of calibration and/or test laboratories) recognized calibration Lab.

6- IMDS or CDX Compliance Reporting

Compliance Reporting may be required for product supplied to Global Gear through the IMDS or CDX websites. Requests will be made through the PPAP Coordinator, during PPAP or after.
*Global Gear **IMDS** plant code is 58390.*
*Global Gear **CDX** plant code is 30435*

7- SUPPLIER AND SUB-SUPPLIER PROCESS CHANGES

Suppliers must notify Global Gear of all requests for changes to: parts, processes, materials, mill supplier changes, manufacturing locations, and sub-suppliers.

As a Supplier to Global Gear, the following is expected when desiring to make a change on an approved PPAP processes:

- Complete and submit a Supplier Change Request (may use own format or request a copy of Form 1192 from the Purchasing Group);
- Adopt a documented policy of zero tolerance for any unauthorized changes;
- Assign an Executive Change Control Sponsor and Change Control Champion within your organization.
- Close any gaps that might exist in the way you manage product, process and sub-tier supplier changes within your organization
- Document all changes – including the lot(s) affected, the Change Champion, the expected outcome, and any potential downstream effects.
- Communicate the same to your suppliers, to ensure that they approach product and processes changes with the same integrity that GGM provides its customers.

Approval to a Supplier Change Request does not authorize a Supplier to ship; it is only authorization to proceed with coordination of PPAP submission. Suppliers may not:
1) implement changes *permanently* before receiving full PPAP approval;
2) ship until satisfying all AIAG Production Part Approval Process requirements;
3) ship prior to the implemented date established with Global Gear.

Heat treat suppliers must always process parts on PPAP approved furnaces. Based on studies conducted, GGM has effectively proven that *different* furnaces of the same size and brand, tend to distort differently. Suppliers are responsible for notifying GGM prior to using a different furnace other than the PPAP approved furnace. GGM requires that the furnace number is added to the heat treat certs. If an alternative furnace is needed, GGM must be notified in writing before processing. GGM will then provide direction how to proceed and what is required to qualify a furnace.

Raw material suppliers (forgings, tubing, etc) – Change in milling supplier other than PPAP approved process is considered a change in process. Approval prior to change is required.

8- ADDITIONAL DOCUMENTATION REQUIRED

Required supplier documentation (i.e. PPAP, Safety Data Sheets, or other) may be requested to provide evidence of conformance to the requirements of GGM, or its customer. Such documentation may include certifications of conformance, product-specific control plans/pFMEA, part or process warrant, quality manuals, inspection results, up-to-date CQI assessments, QMS certifications, MSA studies (gage R&R), or statutory and regulatory information (see p.3). See **STATUTORY AND REGULATORY** section also.

9- ETHICS AND SOCIAL RESPONSIBILITY

More and more, evidence of ethics and social responsibility procedures are being required by the automotive OEMs of their supply chain. Such procedures help to establish a fair and ethical environment in the workplace, and as-such, have been adopted at GGM. GGM recommends that suppliers maintain the following:

- Code of conduct-general procedures for conduct of employees within the workplace to be respectful of each other, avoid committing sexual harassment or harassment of any kind, and avoid conflicts of interest between your employer and outside interests.
- Ethics escalation policy-having a policy where employees can feel free to report illegal or unethical acts or harassment by fellow employees or superiors to proper authorities within or outside the workplace, without fear of retribution by management or other superiors.
- Anti-Bribery Policy-to establish and communicate a policy where the offering of, or the acceptance of, bribery is forbidden, to avoid compromising the employee, employer, employer's customer or business associates;
- Document and communicate to employees a confidentiality agreement to help protect confidential information owned by either *your company, GGM or GGM customers.*

GGM mandates that all suppliers respect and protect proprietary information (financial, intellectual property, or technical documentation) belonging to GGM or its customer, that may appear on technical drawings or emails, or other technical documentation from GGM or its customers, and not pass along any such information to others outside of the normal course of business intended by GGM or its customers.

10-Working Conditions

All applicable laws governing working conditions, employee rights and safety in the workplace of employees should be the guidelines used by GGM suppliers. In the U.S., this is determined primarily by the U.S. Department of Labor (working conditions and employee rights) and the Occupational Safety and Health Administration-OSHA (safety). Those in positions of authority and management at the supplier must be educated on the applicable laws governing working conditions, employee rights, and on providing a safe working environment.

Follow U.S. Department of Labor requirements that apply to:

- Child labor
- Forced or compulsory labor
- Working conditions (should be safe and free of safety hazards, observe Human rights)
- Working hours
- Break times

- Acceptable working conditions
- Compensation
- Provision for Personal Protective Equipment (PPE)

Occupational Safety and Health Administration (OSHA)

- CFR 1910 General Industry (see for applicable sections)
- CFR 1910.1200 Hazard Communication

GGM suppliers should be aware of, and enforce, all applicable requirements of the Dept. of Labor and OSHA.

11-ENVIRONMENT

GGM has achieved certification to ISO 14001:2015. It is expected that GGM suppliers will establish and maintain an Environmental Management System or program consistent with ISO 14001, including at a minimum:

- A stated commitment to take steps to prevent the pollution of land, water and air;
- Institute a recycling plan for common materials – plastics, paper, metals, batteries and used oil;
- Avoid banned or restricted chemicals that endanger customers, employees or the environment;
- Take measures to conserve energy and/or avoid waste.

12- STATUTORY AND REGULATORY

So that the GGM customer is confident of providing OEMs with end-product that is fully compliant with applicable statutory and regulatory requirements, all suppliers and sub-tiers in the supply chain should establish procedures towards this goal and provide evidence of such compliance. At a minimum, GGM suppliers shall provide the following **when requested:**

- Evidence that purchased products, processes, and services conform to the current applicable statutory and regulatory requirements in the country of receipt, the country of shipment, and the customer-identified country of destination, if provided;

- **Evidence of compliance with the "Conflict Mineral" provision of the Dodd/Frank Act of 2010, in the form of a completed Conflict Minerals Reporting Template (CMRT),** following each revision of the CMRT template by the Responsible Minerals Initiative (RMI), approximately every 6-12 months (go to the following website Responsible Minerals Initiative, download the CMRT (Conflict Mineral Reporting Template), go to the "Declaration" tab at the bottom. *Fill in the template with your company information, save it, then email your completed CMRT to the following persons at GGM:*
  tcruickshank@imsmfg.com
  dlong@imsmfg.com
  jrodriquez@imsmfg.com
  gperez@imsmfg.com

- Compliance with the European regulation REACH (Registration, Evaluation, Authorization and Restriction of Chemicals), to be updated following each revision to the Substances of Very High Concern (SVHC) list, approximately every 6-12 months, and/or submit a statement to that effect when requested;

- Material Certifications for raw material to verify mineral or chemical content, or other special requests for material certification of product or components;

- Safety Data Sheets (formerly MSDS) of chemical substances purchased or used by GGM, or chemical substances contained on or within (coatings, oils, etc.) product, components or processed product;

- Compliance with the current revision of the Restriction of Hazardous Substances (RoHS), and/or submit a statement to that effect upon request.

NOTE – all edited or additional content from the latest update appears in italics.

Revision	Main changes	Date
1	Modified Quality System Requirements	5/5/17
2	Updated manual to meet IATF 16949:2016 requirements	5/12/18
3	Added section for Supplier and Sub-Supplier Changes	6/11/19
4	Removed premium freight requirements	8/25/21
5	Added CQI requirements, clarity on supplier development issues, added to ethics and social responsibility, added environmental requirements to be put in place consistent with the requirements of ISO 14001, requirements of an ISO 9001 certificate, expanded statutory and regulatory section, protection of confidential information.	6/30/23
6	Added CQI 17, CQI 23, CQI 27 to section 2, additional text to sections 2, 5, 6.	8/14/23
7	*Added various clarifications and added a Receipt and Review Acknowledgement*	*6-21-24*