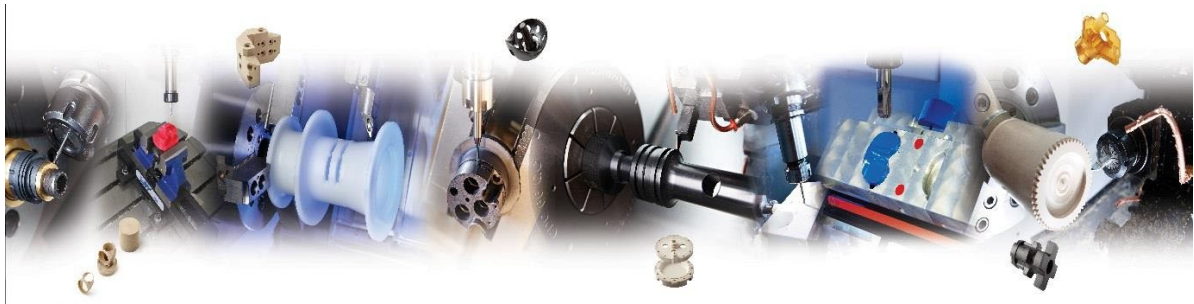




Ensinger Machined Parts - Supplier Quality Manual



Issue Status

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1	New Document	27/03/17	Mark Bernhardt
2	Updated for compliance with flowed down customer requirements	09/07/18	Mark Bernhardt
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1. Purpose

The purpose of this manual is to clearly define the requirements of EMP UK and Ensinger Precision Engineering Limited, collectively known as Ensinger Machined Parts UK (EMP UK) with regard to our Supplier's Quality Systems and practices in support of achieving our customers' requirements.

2. Scope

The contents of this manual apply to all Suppliers of components, tooling, material and services with the potential to affect product quality.

3. Contract

For the purpose of this manual, a contract should be considered as any mechanism through which EMP UK has engaged with the supplier to perform work on their behalf or supply. This may be in the form of a standard Purchase Order (PO) or an independent supply agreement.

Terms and Conditions of supply can be found at <https://www.ensingerplastics.com/en-gb/terms-and-conditions>, it is the supplier's responsibility to check this for any changes.

4. Requirements

It is the supplier's responsibility to supply a current copy of their accreditations and approvals updated on a 12 monthly basis. When Accreditations and approvals change it is the supplier's responsibility to notify EMP UK.

The supplier is responsible for notifying EMP UK of any changes within the management structure or quality staffing levels.

4.1 Conflict Minerals

Definitions

Conflict Minerals: is defined as columbite-tantalite, also known as coltan (from which tantalum is derived); cassiterite (tin); gold; wolframite (tungsten); or their derivatives; or any other mineral or its derivatives determined by the Secretary of State to be financing conflict in the Democratic Republic of the Congo or an adjoining country.

DRC Adjoining Countries: Are countries that share an internationally recognized border with the Democratic Republic of the Congo. The following countries are currently recognized as "adjoining countries": Angola, Burundi, Central African Republic, Congo Republic (a different nation than DRC), Rwanda, South Sudan, Uganda and Zambia.

DRC Conflict Free: is defined to mean the products that do not contain minerals that directly or indirectly finance or benefit armed groups in the Democratic Republic of the Congo or an adjoining country.

Recycled or Scrap Due Diligence: There are special rules governing the due diligence and Conflict Minerals Report for minerals from recycled or scrap sources. If a company's conflict minerals are derived from recycled or scrap sources rather than from mined sources, the company's products containing such minerals are considered "DRC conflict free."

POLICY

EMP UK is committed to conducting its worldwide business operations in a manner that complies with applicable laws and regulations regarding conflict minerals. To comply with these requirements, EMP UK is committed to:

- Inform direct suppliers about this Conflict Minerals Policy
- Take measures to source parts and components from its direct suppliers and sub-suppliers that are DRC conflict-free. These measures may include adopting, disseminating and incorporating this policy in related purchase orders, contracts and other appropriate agreements with suppliers.
- Comply with information requests on the source and origin of conflict minerals in the parts, components or materials provided to EMP UK. Chain of custody data shall be maintained for 25 (Twenty five) years and be provided to EMP UK upon request at no cost to EMP UK.

COMPLIANCE

This policy applies to EMP UK's global business operations. Employees whose responsibilities relate to the supply or sourcing of parts, components and materials should be informed and are expected to comply with these requirements and associated legislation or regulation.

NON-COMPLIANCE

EMP UKEMP UK will work with its suppliers to seek remedies for non-compliance with this policy. These remedies may include suspension or discontinuing engagement with the supplier.

REPORTING VIOLATIONS

Violations or potential violations of this policy should be reported by the supplier to EMP UK QHSE managers within 72 hrs.

4.2 REACH

REACH is a European Union regulation concerning the Registration, Evaluation, Authorization and restriction of Chemicals. It came into force on 1st June 2007 and replaced a number of European Directives and Regulations with a single system. The latest candidate list of SVHC chemicals can be accessed from <https://echa.europa.eu/candidate-list-table>

It is the supplier's responsibility to give a reach statement for each product that is supplied to EMP UK on request at no cost to EMP UK.

4.3 COSHH

It is the responsibility of the supplier to provide all necessary COSHH information in relation to any product being manufactured or service provided by the Supplier. The Supplier must ensure they have all the COSHH information including material safety data sheets they require at the commencement of any contract and forward it to EMP UK at no cost to EMP UK.

4.4 Access

EMP UK reserves the right to itself, its agents, its customers, any Government Quality Assurance Representative (GQAR), regulatory authorities (FAA ,CAA ,MAA ,MOD ,DOD , this list is not exhaustive) and any other person or organization with a legitimate interest in the quality or conformity of the goods the right of access to all facilities and records involved to audit this system and verify compliance with any Quality Assurance systems or standards at any reasonable time by mutual agreement with the supplier.

4.5 Bribery and Corruption

The Ensinger Group generally does not condone bribery and corruption, nor tolerates such conduct. All employees are required to ensure that no kind of personal dependencies or responsibilities towards business partners occur. In particular, employees may not give or accept gifts or other gratuities that could reasonably be assumed to unduly influence the actions or decisions of the recipient. Particularly in the case of public officials, strict standards are to be applied. Gifts of money are prohibited in any case. Standards according to state legislation must be complied with. .

4.6 Modern Slavery and Human Trafficking

Ensinger is committed to acting in a responsible and ethical manner. We have a zero tolerance approach to slavery and human trafficking (“modern slavery”). Modern slavery is a crime and violation of fundamental human rights. It takes various forms, such as slavery, servitude, forced and compulsory labour and human trafficking, all of which have in common the deprivation of a person’s liberty by another to exploit them for personal or commercial gain. Ensinger’s prohibition on modern slavery applies to all person’s working for the Group or on its behalf in any capacity. The Company will promptly and thoroughly investigate any claim or indication that a supplier is engaging directly or indirectly with human trafficking or slavery. If a supplier is found in violation of this or any other policy or principle within Ensinger’s code of conduct, Ensinger will take remedial measures to address the violation

4.7 Information Supply

It is the responsibility of EMP UK to provide all necessary information in relation to any product being manufactured or service provided by the Supplier. The Supplier must ensure they have all the information they require at the commencement of any contract. All product must be supplied with conformance to the defined EMP UK specifications.

Where ambiguity exists over any instruction, verbal or written, this should be taken up in the first instance with the buyer, who will either answer the question or give the contact details of the relevant authority. It is the Supplier’s responsibility to clarify any ambiguities which may affect product quality or delivery prior to commencement of work.

4.8 Information Control

The supplier must document EMP UK's requirements. Where copies of specifications and standards are used or required these must be controlled. All specifications and requirements used must be traceable to all work carried out.

The supplier must have systems/controls in place to ensure that the latest revisions of information documents e.g. drawings/standards and specifications are used.

4.9 Document Retention

All documentation must be retained by the supplier for 'Life of Aircraft' (25 years +) unless otherwise stated. The Supplier agrees to supply this documentation at no cost to EMP UK when requested. Before destruction of the documentation by the supplier a copy will be supplied to EMP UK at no cost to EMP UK.

Documentation must be stored in a readily retrievable system with multiple backups of the information.

4.10 Process Documentation

All processes/process steps used to manufacture product must be documented to show sequence of events, operations, tasks and activities used. This documentation must be revision controlled and traceable to product/part level.

4.11 Raw Material and Free Issue Material

For all material used to manufacture product, the Supplier must ensure that it is in accordance with the requirements of EMP UK. Substitute or equivalent materials must be agreed before supply at the quote stage.

It is the responsibility of the Supplier to maintain records of all material received. The Supplier must maintain material certificates of conformance and have records/traceability to sample material conformance tests where applicable.

If test pieces are required it will be requested on the purchase order.

The Supplier's quality system must provide complete traceability of material used for all products manufactured (see section 4.12)

Material delivered to suppliers either directly from their Raw Material suppliers or from EMP UK shall be fully identified and traceable back to relevant manufactures batch information.

Split / Multiple batches of material can only be supplied with the agreement of EMP UK. Where multiple batch numbers are used for a particular size, clear segregation and identification must be in place.

General Material Control

The following records must be kept on receipt of material:

- Material Specification
- Material Supplier
- Batch number
- Date of delivery

- EMP UK Purchase Order Number
- Certificate of Conformance

General Material Storage Requirements

- All material must be stored in a clean, dry location
- All material must be clearly labelled

All material must be adequately segregated to prevent cross contamination of material.

4.12 Traceability

Unless otherwise stated in writing EMP UK requires full material and process traceability with regard to the manufacturing of all components for both batch and serial numbered parts. Full traceability is required to raw material, heat treatment processing and all processing operations. Therefore batch traceable components must be made from one batch of material and all items must be processed as one batch.

4.13 Staff Competence

All processes/process steps used to process /manufacture product / supply services must be completed by appropriately trained staff with the verifiable competence of the staff recorded on a skills matrix.

4.14 Equipment Control

All equipment used during the process to manufacture and assure product must be suitable for function and capable of producing product to required specifications.

All equipment including all measurement and test equipment must be maintained, calibrated and inspected where applicable at suitable intervals to prevent equipment malfunction and degradation. All measurement and test equipment must be calibrated within established frequencies and be traceable to National Standards.

All records of equipment maintenance and calibration should be stored for a minimum of 25 years. Out of calibration equipment must be quarantined and prevented from being used.

4.15 Process Control and Assurance

The supplier's quality system must provide adequate process control to assure product conformance.

It is the supplier's responsibility to implement suitable process control.

Process control data will be supplied if requested by EMP UK and should include but is not limited to:

- Process routing
- Go/No Go Gauges
- Control Plans
- Check Sheets
- First Article Inspection Report
- Statistical Process Control
- In Process Statistical Sampling and measurement
- Gauge R&R

Any process control documents that are generated must be traceable to component level. Any equipment process controls must be maintained and calibrated at suitable intervals.

4.16 Inspection and Testing

It is the Supplier's responsibility to ensure all product meets specification and requirements. Where applicable the Supplier should implement suitable inspection and test capability to ensure that the parts conform to specification and to verify process effectiveness.

Where inspection and test activity is performed the inspection and test requirements including any critical dimensions, sample sizes and methods used should be defined to ensure consistency.

Acceptance/reject criteria should be defined.

Inspection reports are to be provided on request with the parts when requested by EMP UK.

4.17 Control of Non-Conforming Material and Components

EMP UK requires its Suppliers to have a documented process which describes how the organization prevents the unintended use of non-conforming material / components. It is mandatory that:

- All non-conformances that are identified should be recorded.
- Non-conforming material must be clearly labelled.
- Non-conforming material should be segregated to prevent it from being mixed with conforming material.

Rectification of Non-Conforming Material

All processes and activity used in rectification of non-conforming material must be documented, recorded and traceable to the component.

4.18 Counterfeit Products

EMP UK does not accept counterfeit product.

Counterfeit product includes but is not limited to:

- Product where part number, or issue level cannot be verified.
- Product where traceability cannot be verified.
- Product where raw material source or batch cannot be verified.

Counterfeit or potentially counterfeit product is considered scrap at the supplier's expense. The supplier is also liable to all reasonable costs flowed down from EMP UK under EMP UK Terms and Conditions of supply.

4.19 Supplier Concession Process

EMP UK does not generally accept non-conforming material or components. Suppliers who wish to provide parts that are knowingly non-conforming must in the first instance contact the EMP UK QHSE manager and buyer. This is also applicable for test results, etc. Suppliers that wish to ship parts without test results that are required must first contact the QHSE manager and buyer at EMP UK.

The concession will be progressed once the non-conformance has been documented at the supplier and the documentation forwarded to EMP UK along with a completed non-conformance investigation...

4.20 Preservation of Product

EMP UK requests that its Suppliers have suitable practices to ensure the integrity of product from receipt to shipment.

Suppliers should ensure that internal handling practices are suitable and consistent to prevent damage.

Suppliers should have adequate storage practices.

Suppliers should use appropriate packaging for logistics and shipment to prevent damage or deterioration of product. The supplier is responsible for damage during transit.

4.21 Output Measures

The Supplier should implement suitable product and process output measures to ensure and verify that the parts meet requirements/specifications and that processes are capable.

4.22 Corrective Action Process

EMP UK requires its suppliers to have a documented and effective Corrective Action Process that identifies the root cause of Non Conformances and implements suitable actions as to prevent the re-occurrence of such issues. The process must be equally applicable to Non Conformances found internally as well as those reported by the Customer.

Supplier caused Non Conformances found at EMP UK will be documented using a Non Conformance Report (NCR) which will be communicated to the Supplier where deemed necessary by EMP UK.

4.23 Suppliers Control of Sub-Contractors

It is the EMP UK supplier's responsibility to ensure that any sub contracted operations conform to requirements and specifications. The supplier should use an effective quality system to assure product meets requirements along with an approved suppliers list.

Where a supplier is to use a second tier supplier for work which does not require EMP UK approval, and the sub-contractor has been selected by the first tier supplier the responsibility for all of the work remains with the first tier supplier.

Where a second tier supplier is to perform an operation, process or procedure which requires EMP UK approval the first tier supplier must contact the EMP UK QHSE Manager to gain an approval. It is the first tier supplier's responsibility to confirm that the parts meet specification before shipping to EMP UK by way of confirming process results through documentation and test results produced by the tier 2 suppliers as specified in the associated EMP UK treatment specification on the drawing. Where parts do not meet specification the supplier must follow the Supplier Concession process (see section 4.19). Any nonconformance associated with parts not meeting specification will be attributable to the supplier.

4.24 Scrap Policy

EMP UK suppliers must render any scrap parts beyond use according to a suitable internal policy. No Parts associated with EMP UK are to be used for promotional purposes or displayed.

4.25 Order Requirements

Before placement of any Purchase Order, EMP UK will require a full quotation for the scope of work to be completed. The supplier quotation should include all costs associated with the completion of the proposed package of work, with any non-recurring costs quoted separately. The supplier quotation must clearly state anything that is required from EMP UK, for example tooling or inspection equipment.

4.26 Delivery Requirements

It is the responsibility of EMP UK to provide all necessary information in relation to the delivery date stated on the EMP UK Purchase Order will be the delivery date committed by the supplier. Any variance identified should be reported to the EMP UK buyer immediately.

It is expected that all goods will be delivered on the due date specified on the Purchase Order, which is the date that the Supplier will be measured against unless agreed by the EMP buyer (see section 9 below). If the date cannot be achieved after contract commencement then the EMP UK buyer must be informed immediately.

All goods delivered to EMP UK should be accompanied by a delivery note with the following information stated as a minimum:

- Supplier company name
- Supplier address
- Supplier contact telephone number
- Delivery note number (a supplier generated unique number)
- EMP UK purchase order number
- The full part number / description
- The quantity delivered

Note that the quantity delivered should match each line number, for example if there are two purchase order lines for 12 units each and 14 units are to be delivered, 12 units should be shipped against the first line and 2 against the second line. Each batch of components should be segregated and will be receipted against the separate purchase order line to maintain traceability.

All delivered batches of components should be packaged and labelled separately; this applies whether delivering multiple batches of the same component or batches of different components.

Every delivery must have a physical copy of all associated Raw Material and Certificates of Conformance and any other documentation specified on the EMP UK Purchase Order. Where batches are split, the supplier is responsible to ensure that a complete set of documentation is sent with each batch.

Any non-conforming components being delivered under concession must be separately packaged and labelled to include a copy of the completed concession.

Deliveries over 2 meters in length will only be accepted under agreement from the stores supervisor.

This will be in the form of an email which is the supplier's responsibility to retain.

All deliveries of multiple components / bars of material must be heaviest at the base of the stillage and lightest at the top of the stillage to avoid crush damage to the materials.

Labelling on packages should include part number and all other relevant information to identify the specific batch, including but not limited to PO number and PO line number.

Over delivery will only be accepted with prior approval from the EMP UK buyer.

Deliveries will be accepted up to 10 days early and 0 days late.

4.27 Product Identification

All items intended for delivery to EMP UK must be identified in a suitable manner as to retain traceability.

5. Invoice Payment

EMP UK will pay against the terms agreed at commencement of each contract, for all accepted goods (including items accepted on concession for all applications). In order for prompt payment all invoices submitted to EMP UK must contain the following minimum information.

- Supplier company name
- Supplier address
- Supplier contact name (in the case of query)
- Supplier contact telephone number
- Invoice number (a supplier generated unique number)
- Invoice date
- Delivery note number
- EMP UK purchase order number
- The full part number
- The quantity delivered (against each part number)
- The unit price (against each part number)
- The total part delivered value (against each part number)
- The total invoice value

Any invoice that features a variance to the EMP UK purchase order must be accompanied with documented evidence to justify this variance.

6. Supplier Engagement – Criteria for selection

EMP UK may engage with Suppliers who demonstrate the capability to complete a specified package of work. A number of factors have influence when selecting suppliers to carry out work for EMP UK. The target is to achieve parts right first time on time at the required cost and lead time. The supplier will be evaluated against the criteria stated in section 7 below.

7. Supplier Evaluation – Criteria for assessment

Supplier evaluation is conducted by QA Dept. and can include any or all of the following:

- Possession of current and recognized third party certified QMS
- Customer designated supplier
- Completion of Supplier Questionnaire
- Completion of on-site audit
- Other means deemed suitable by the QHSE Manager.

8. Supplier Performance Monitoring – Scorecard Methodology

EMP UK measures its Suppliers Quality Performance in order to aid decision making and continuous improvement. Performance is measured in two areas:

- Quality – this will be number of correct deliveries against incorrect deliveries.
- On Time Delivery – this will be number of on time deliveries against late or early deliveries.

9. Supplier Re-Evaluation

Under certain circumstances EMP UK may need to re-evaluate a Suppliers Quality System.

Criteria for Re-Evaluation:

- Change in ownership.
- Change of Premises.
- Change in Senior Management – Operations / Production Manager, Quality Manager, Sales Manager or Any Director.
- Poor Supplier Quality Performance.
- Poor Supplier Delivery Performance.
- Failed previous Supplier Assessment.

10. Supplier Disengagement

If a supplier fails to perform against any of the criteria stated above then EMP UK reserves the right to limit the supply or cease trading with the supplier (with the exception of any pre- defined contractual obligations). In the normal course of business the supplier will be offered the opportunity to rectify the situation without the need for disengagement. In the example of an unsatisfactory quality assessment then the supplier will be given a period of time defined by EMP UK to propose and implement corrective actions to any findings identified.

It should be noted that the essence of any contract between EMP UK and its Suppliers is on the basis of continued competitive pricing, delivered quality and on-time delivery performance.