

SOURIAU INDIA

SUPPLIER QUALITY ASSURANCE MANUAL



ISSUED BY: SUPPLY CHAIN MANAGEMENT
ORG.ISSUE DATE: 01-09-2009

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References : **SOURIAU France Doc No : PS 10 and PO 99**
SAE AS 9100 D

REVISION HISTORY

Rev No	Page No	Details of Change	Date	Approved by
01	1	Name of authorized signatory	30.07.2010	Giridharan .V.M Sanjay Menon
	All	Font size changed	30.07.2010	
	9	Sampling plan reference given	30.07.2010	
	11	Calibration Traceability and source	30.07.2010	
	16	FAIR Table added	30.07.2010	
	19	Supplier notification on NC	30.07.2010	
	19	RoHS compliance added	30.07.2010	
02	3	Supplier Risk Management Heading included	01.07.2011	Giridharan .V.M Sanjay Menon
	4	Title Corrective action rating removed from index. It's brought under responsive index.	01.07.2011	
	5	AS 9100 B Changed to C	01.07.2011	
	6	Accepting order commits to abide by the requirement in this manual	01.07.2011	
	7	Dedicated person required for Quality	01.07.2011	
	7	Provide copy of system certifications	01.07.2011	
	7	Intimate 12 months in advance before stopping business	01.07.2011	
	8	Intimation to Souriau , If supplier out source to Sub supplier	01.07.2011	
	9	Usage of Sampling plan but justified using statistical principle	01.07.2011	
	12	Setting up KPIs and its monitoring is defined	01.07.2011	
	17	Identify, monitor, control critical process parameter	01.07.2011	
	21	Supplier Risk Management – Details added	01.07.2011	
	22	Shelf life requirements(bubble 4 – 6)	01.07.2011	
	25	Cost Index Calculation modified	01.07.2011	
26	Supplier System Audit Score scale modified	01.07.2011		
03	7	Details and Controls needed for “RESTRICTED” drawing added.	31.01.2014	Sanjay Menon Giridharan V M
04	21	Requirements on Risk mitigation plan on Sub supplier's process added	28.07.2014	Sanjay /Giridharan
	25	Response Index calculation on Supplier Performance Rating redefined and updated	28.07.2014	Sanjay /Giridharan
	26	Requirement on verification of corrective action taken for NCRs after the supplier audit , is added	28.07.2014	Sanjay/Giridharan
05		AS 9100 C Changed to D ; Updation of new requirements	01.04.2017	Sanjay/Giridharan

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1. PURPOSE

The purpose of presenting this manual is to assist suppliers in promoting continuous improvement in quality, productivity and set forth the requirements of AS9100 Rev C (including ISO 9001:2008) SOURIAU India and Souriau India's Customer specific requirements. Our suppliers are vital to our success. The quality and delivery that the supplier provides favourably or unfavourably will reflect in the finish product that we supplies to our customer. The cost of poor quality carries a hefty price tag for both the customer and supplier.

This document establishes general, mandatory and special quality assurance requirements with which supplier and their sub tier must comply when providing material and services covered in the purchase order. It is intended to state that the supplier will be fully responsible for the quality and delivery of their products/services and their sub tier suppliers.

It is one of the competitive strategies of SOURIAU India to assess the commitment of each supplier and to build a long-term relationship with those who both meet and maintain adherence to this requirements. Suppliers that proactively engage in these processes will have the opportunity to receive ongoing business from SOURIAU India.

This standard will be effective upon issuance, and all suppliers are responsible for ensuring that their Quality Management System conforms to the guidelines provided. Exceptions to these guidelines may only be made with the authorization of SOURIAU India's Quality Manager or Supply chain Manager.

The basis for SOURIAU India's Supplier Quality Manual is the Quality System Requirement AS9100 Rev C (including ISO 9001:2008). Suppliers may obtain a copy of the above standards and ensure compliance, even though they need not be certified for the same, at present.

This Supplier Manual is considered uncontrolled if 'CONTROLLED COPY' is not affixed in Red on the Front Page.

2. SCOPE

This manual establishes minimum quality requirement for suppliers and its sub tiers. By accepting Souriau order the supplier commits to abide by the requirement mentioned in this manual. Sourcing from SOURIAU approved sub tier does not absolve the supplier of the responsibility of conformity to all customer, statutory, and regulatory requirements. No statement in this manual makes out that SOURIAU India will accept anything less than Zero defect product.

3. CUSTOMER RESPONSIBILITIES

SOURIAU India is working to develop a strong alliance with its supplier base. We are aggressively upgrading our performance in key areas:

- Setting clear requirements.
- Providing timely and accurate feedback on supply base performance.
- Acting as a resource to improve supplier performance.
- Actively seeking supplier involvement with emphasis on continual improvement.

SOURIAU India welcomes on-going feedback from our suppliers regarding our performance as a customer and suggestions on how we can become a better partner.

These requirements apply for all suppliers who are supplying products / services related to Aerospace or Defense/Military Applications.

4. SUPPLIER QUALITY EXPECTATIONS

4.1 QUALITY SYSTEM REQUIREMENTS.

SOURIAU India requires that the supplier:

- Manage facilities, processes, quality systems and personnel, to consistently and cost effectively produces products and services that meet the requirements of SOURIAU India, its customers and regulatory bodies.

- Establish, document, implement and maintain a product realization process to assure that product and service requirements are met.
- Dedicated person to resolve issues related to Quality.
- Provide objective evidence that FAI and acceptable process capabilities for all key characteristics have been met.
- Focus on continuous process improvement by emphasizing defect prevention, eliminating waste and part to part variation.
- Responsible to maintain an error free inspection system to assure delivery zero defect products.
- Supplier must provide a copy of their QMS/EMS certifications.
- Registration to any system certification by third party does not exempt the supplier from the audits of SOURIAU India or its customer or any Regulatory authorities.

Suppliers have the responsibility to provide goods and services that meet all quality specifications. If this is not met, the supplier will be held financially responsible if their failure results in losses to SOURIAU India or any of SOURIAU India’s customers. SOURIAU India can only assist the supplier in meeting their responsibility. Please contact us if assistance is needed.

Supplier must alert minimum 12 months in advance before stopping supply of products/business.

4.2 CONTROL OF DOCUMENTS(MAINTAINED DOCUMENTED INFORMATION)

- Documentation and Data can be stored in any format, such as paper copy or electronic.
- Ensure that all SOURIAU India supplied documents are maintained at its latest revision and controlled copies are distributed / readily available for reference within the respective departments of the supplier’s organization.
- Drawings of items specifically designed for export regulated products will be Identified separately with a seal “RESTRICTED “in red colour on the front side of the drawing while issuing from Souriau.
- Restricted drawings should be kept in safe custody and should not be transferred to any 3rd party including your sub-contractor without the written consent from Souriau

- Changes to the supplier QMS Documentation shall be reviewed and approved by the same functions that originally approved the document. Any changes to these functions should be clearly specified on the document.
- Refer section 4.2.3 in the standard.

4.3 CONTROL OF RECORDS(RETAINED DOCUMENTED INFORMATION)

- Retain the records related to the product or service for the life of the aircraft or after the product has been withdrawn from service, whichever is the longer period. This will be communicated in the Purchase orders from time to time. No records shall be destroyed without the written permission from SOURIAU India. The retention period shall be 10 years for all Manufacturing records, if not specified in the PO.
- The supplier shall agree to transmit to SOURIAU India, those records kept in support of SOURIAU India’s work, in event that the supplier discontinues business operations.
- The supplier shall make available those records of SOURIAU India’s work, for evaluation by SOURIAU India or its customers or Regulatory authorities.
- Supplier shall take written permission from SIPL, in case any activity is further outsourced to any sub supplier. Necessary controls to be established

4.4 MANAGEMENT RESPONSIBILITY

- The supplier shall have an organization chart with clear cut responsibilities and authorities defined for all functions.
- Supplier shall carry out contract review to include all requirements are captured and flow down into suppliers working procedures. Objective evidence is required to confirm adherence to this requirement.
- The supplier shall undertake work covered by the scope of SOURIAU India Approval. Work outside the scope can only be undertaken with the written authority of SOURIAU India.
- SOURIAU India expects a co operative management attitude and flexibility in approach from its suppliers.

4.5 RESOURCE MANAGEMENT

- Competency and training requirements related to Human resource shall be implemented to the personnel performing work affecting product quality.
- In addition to local and international regulations for environment, Health and safety, the supplier shall ensure adherence to the environmental guidelines for Banned materials, volatile Organic compounds and the restrictions regarding Ozone Depleting Substances.
- The supplier shall ensure maintenance for the Equipments used for production and ensure suitable work environment for the product realization

4.6 PRODUCT REALISATION

- The supplier shall have a Production plan based on SOURIAU India requirements.
- Supplier shall confirm any unclear product requirements with SOURIAU India via email or formal letter
- Supplier shall flow down all SOURIAU India requirements to the sub supplier by means of a supplier Quality Manual or through any other means and inform SOURIAU India, if any sub supplier is not following the requirements
- Supplier shall assume full responsibility for sub supplier activities. Deviations from this will require SOURIAU India's written approval.
- Wherever special processes are subcontracted by the supplier, SOURIAU India will be the approving authority for the same
- SOURIAU India or its customers or Airworthiness authorities shall have access to the supplier or sub supplier's facilities, as required.
- No deviation to any procedure or Drawings shall be actioned unless it is being requested on any one of the following Documents:
 - Formal listing
 - Minor deviation report
 - Production permit
 - Concessions
 - Quality Directive report
 - Engineering change notes
 - Amended PO
 - Delivery schedule amendments

- At Final Inspection stage, if Sampling is used as product acceptance, it shall be justified based on appropriate statistical principles or approved by SOURIAU India. Sampling plan reference is WI/10/01.
- If any specification is prescribed in the drawing or PO, the same shall be followed or the supplier’s specification needs to be approved by SOURIAU India.
- Seek approval from SOURIAU India for use of EDM, where it is not specified on the purchase order, Drawing or specification.
- The authority for granting approval to carry out special processes rests with SOURIAU India. To achieve approval, suppliers must demonstrate adequate facilities and a system of personnel qualification involving appropriate training and operational experience.
- Where NDT is performed, then operations shall be conducted by approved NDT operators according to any industry standards (BS EN 473 or BS EN 4179) or as specified by SOURIAU India.
- Supplier shall ensure that all appropriate personnel are familiar with SOURIAU India Drawings and Process specifications for all work undertaken and that controlled copies of Drawings / specifications are available at the place of operation.

4.7 PRODUCT IDENTIFICATION AND TRACEABILITY

- Ensure each Product Release Certificate (COC / Final Inspection Reports / Test Reports) shall bear a unique serial number and give comprehensive details of the items supplied, including any limitations or qualifications, applicable concessions, agreed deviations, shortages or outstanding work.
- Ensure all C of C is verified individually and signed by an authorized signatory and shall include as a minimum, the information required by SOURIAU India as per the contract.
- Ensure that where components are so small that individual identification is not possible, or practical, they are bagged or labeled.
- Level of traceability required is as per SOURIAU India requirements. There should be a traceability system evidenced up to the raw material batch level.
- Each and every production batch should be identified with a batch or lot number and traceable through process up to raw materials.
- To have a Traceability system as described, a Route Card (Annexure – 4) should accompany with every batch supplied to SOURIAU India. It should cover the

entire operations performed and its traceability. Data filled in the route card should be authentic and authorized.

- Wherever special processes are performed, an additional special process certifications or COC (Certificate of Conformance) is required, which shall contain as minimum
 - Special Process specification number
 - Revision level
 - Purchase order number
 - Part Number
 - Lot size
 - Sample size
 - Applicable process specifications / controls / test results
 - NADCAP Accreditation Number with Expiry date (If Applicable)
- Raw metallic materials (including forgings and castings) supplied shall include a **copy of material test certificate from a lab acceptable** to SOURIAU India. Chemical composition test has to be conducted once in six months.
- The Supplier shall ensure that Raw material batches are not mixed.

4.8 CUSTOMER PROPERTY

- The supplier shall ensure that materials supplied by SOURIAU India shall be used only in fulfillment of the contract / order, for which they were supplied, unless otherwise formally authorized by SOURIAU India.
- Ensure all Jigs/Tools/Moulds/ Gauges/Test equipment purchased for or issued to suppliers are maintained within agreed calibration periods. The Jigs/Tools/Moulds/ Gauges/Equipments provide by SOURIAU India shall be inspected by the supplier prior to use for completeness, free from damage and evidence of inspection. In accordance with Contract / Order requirements the supplier shall have procedures to register assure safe storage and periodically recertify all Jigs / Tools / Gauges/ Equipments which are the property of SOURIAU India and those manufactured by the supplier in support of work carried out.

4.9 CONTROL OF MONITORING AND MEASURING EQUIPMENTS

- The supplier shall have informed SOURIAU India of any calibration failures, which may affect products supplied to us.

- The Supplier shall maintain all the measuring equipments affecting product quality, with the status of calibration and the concerned reports there of
- Ensure that on receipt of any SOURIAU India supplied measuring and test Equipment, that such items are in calibration and that they clearly define calibration recall method.
- The supplier shall maintain a calibration history card mentioning the device Unique identification code, Make, Location of use, Range, Least count Calibration frequency, Calibration date and due date.
- The supplier shall perform calibration from approved lab only. Calibration should be traceable to national standard.

4.10 CONTINUAL IMPROVEMENT

- The supplier shall have a system to monitor and control any special characteristics specified on the drawings
- Supplier may adopt statistical techniques like process capability studies, SPC, MSA etc as applicable to the product and specified by SOURIAU India in the purchase order / contract and submit the applicable records.
- Supplier may adopt PFMEA as applicable to the processes specified by SOURIAU India.
- Supplier shall have to set Process Measures or KPI(Key Performance Indicators) on all business processes including quality and delivery . Suppliers can discuss with Souriau India in setting up all improvement Metrics. Supplier shall review all KPI in every quarter and necessary actions will be taken if there is no progress. Status on improvements can be communicated . The improvements shall be cross verified by Souriau India during the system audits.
- Waste reduction projects.
- Variation reduction projects.
- Plant reorganization projects like 5s.

4.11 INTERNAL AUDITS

- The supplier shall have a Procedure / Guideline for conducting internal system Audits, which shall establish.
 - Responsibility
 - Frequency
 - Scope

- Distribution / Review
- Corrective actions
- Auditor should not audit his own work.
- Results of audit shall be used to continuously improve the system.

4.12 CONTROL OF NON CONFORMING PRODUCT

- Supplier will maintain a documented system to ensure that non conforming products are prevented from its inadvertent use.
- Controls will be provided for identification, documentation, segregation, disposition of all products not conforming to purchase order.
- Supplier shall follow the Deviation report format given by SOURIAU India for NC Concession. Supplier’s own format shall not be accepted.
- Ensure that all applications for concession or production permit action are submitted to SOURIAU India’s Purchasing department who will notify the supplier if the application has been accepted or rejected.
- Ensure a clear statement is made on the application form indicating why the non conformance has occurred and the action taken to prevent the same. SOURIAU India will request a corrective action in the GRIR Format or 8D format, which needs to be submitted by the supplier within seven working days failing which the rating may be affected.
- Ensure that the Release document clearly indicates the agreed concession or production permit application number relevant to the applicable part number / Batch Number / Lot Number.
- Ensure that the supplier procedure state that SOURIAU India is immediately notified if the supplier subsequently finds that non conforming items have been already delivered to SOURIAU India. The NC Notification format may be used for this.
- If deemed applicable, the supplier must visit SOURIAU India facility (at Coimbatore or Cochin) to implement an on-site root cause investigation on non conforming parts.
- Nonconforming material will be returned at the discretion of SOURIAU India.

4.13 FOREIGN OBJECT DEBRIS (FOD) PREVENTION PROGRAM

- The supplier shall have a FOD Program For the purpose of prevention, detection and removal of Foreign Objects. The Program shall meet the following requirements as applicable:

- FOD prevention shall be implemented in all areas.
- Material handling awareness to be provided to all employees and work instructions drawn.
- Supplier shall document FOD incidents and take corrective actions.
- If critical FOD areas are required, Physical entry Controls shall be established with entry requirements visually posted outside each area.
- Internal auditing of FOD Prevention in all critical FOD areas must be conducted and documented.

4.14 CORRECTIVE ACTION

- The supplier shall define a procedure / guideline for closed loop corrective and preventive action with a proper problem solving method. The supplier shall use the 8D or CAR form provided along with this manual to report any CAR to SOURIAU India.
- The CAPA responses given by the supplier shall include the following:
 - Identifiable contact person
 - Definition of the Problem
 - Immediate Containment action
 - Identify and verify root cause
 - Implement root cause corrective action
 - Monitor the effectiveness of corrective action
 - Follow up and Preventive action
- Analysis on similar part that may be rejected due to same cause.
- All costs incurred by SOURIAU India that are associated with the failure of a supplier to meet SOURIAU India’s Quality requirements may be charged back to the supplier
- Listed below are the typical events or Examples that can be associated with the Cost of Poor Quality from a supplier.

Receiving Process

- Sorting
- Rework
- Line Disruption
- Premium Freight
- Cost of Increased Inspection
- Premium product cost paid to support production
- Late Delivery

- Excess Inventory
- Misidentified Parts
- Shipping documentation errors

In-Process Failures

- Downtime
- Overtime
- Line Speed and additional man power Reduction.
- Line changes due to material non availability
- Equipment Breakage
- Associated Material losses
- Outside processing required
- Premium product cost paid to support production
- Rework-labour, tooling and fixturing

Customer Issues

- Rework at customer premises, travel, manpower
- Replacement of material at customer
- Premium Freight
- Reimbursement of all charges from customer
- Costs of internal containment actions
- Added Inspection, certification of product etc
- Warranty Costs

4.15 FIRST ARTICLE INSPECTION

- First article inspection has to be carried out on all parts during the first production run, which will be submitted to SOURIAU India Quality for approval.
- Only after the written confirmation or signed FAI report from SOURIAU India, the supplier shall start bulk production of the product.
- FAI will be conducted as per AS 9102, if not specified by SOURIAU India in the PO.
- Training on conducting the FAI will be provided by SOURIAU India to all its suppliers. Suppliers may in turn train their inspectors on FAI.
- FAI report shall be submitted in a package of 3 forms which is attached with the SQAM.
- FAI Report shall accompany copies of all production which includes the following, as applicable:
 - Ballooned Drawing

- Raw Material test certificate
- Route card / Shop card / Traveler
- Inspection records
- Validation records for special processes
- Test reports
- Sub Supplier records
- Control Plan
- Others as required by SOURIAU India.
- Once approved, FAI remains to continue till the product is active.
- Any changes made to the process needs to be controlled and Re submission of FAI to be done in the following cases. See table below.
 - Change in Manufacturing source
 - Change in Processes
 - Change in Manufacturing location
 - Change in Raw material
 - Change in Inspection Methodology
- For the above changes, the supplier shall take approval from SOURIAU India, before proceeding for FAI. Records of the changes with the implementation details shall be maintained by the supplier.

	Full	Partial (Delta)	None
First time production	✓		
Part redesign	✓		
Material change	✓		
Manufacturing location/Source change	✓		
Two year lapse in production	✓		
Adverse natural / man made event	✓		
Manufacturing Process change	✓		
Process Sequence change	✓		

Machine program change		✓	
Use of different machinery (same technology)		✓	
Mould/Die change	✓		
Marking change		✓	
Addition or subtraction of component/feature.		✓	
In process inspection method change		✓	
Packaging change.			✓
Part number change(same physical part)			✓

4.16 CONFIGURATION MANAGEMENT

- Supplier shall maintain configuration management process as per ISO 10007.
- This shall be applicable for AS 9100 Certified suppliers only.
- Other suppliers have to meet this by meeting the requirements of Identification and Traceability as discussed in clause 4.7.

4.17 KEY CHARACTERISTICS

- Key characteristics are product or process characteristics which can affect safety or compliance with regulation, fit, function, performance or subsequent processing of product.
- Key characteristics are typically identified in Drawings.
- Key characteristics will be clearly identified in all supplier documents.
- Statistical process capability study has to be conducted or 100% inspection to be carried out for key characteristics.
- Supplier must identify, monitor and control all critical parameters related to process.
- Supplier has to ensure that relevant key characteristics are explained, understood and controlled by its sub tiers.

4.18 RIGHT TO ACCESS

- SOURIAU India, its customers or regulatory bodies reserves the right to access the supplier facility and its sub supplier to verify the products and services.

4.19 PREVENTION OF COUNTERFEIT PARTS

- A Counterfeit part is an unauthorized copy, imitation, substitute, or modified part(eg:, material part component), which is knowingly misrepresented as a specified genuine part of an original or authorized manufacturer.
- Specifications of the components according to the Drawings/Specifications will be communicated to the supplier through the Purchase Order
- The necessary documents to ensure the originality of the connector components such as Material test certificate/ Test reports required along with the supply will be communicated to the supplier through the PO
- Supplier shall verify the documents and the requirements during incoming inspection as per Quality plan.
- The validity certificate from the Original manufacturer will be obtained in case of authorized distributor/dealers.
- Validation of the test reports of the raw materials supplied by the sub tier supplier will be done as per the frequency defined internally.
- The prevention of counterfeit parts/ raw material/ components will be communicated to the sub tier
- Supplier shall take necessary corrective actions if any counterfeit parts are detected.

4.20 PRODUCT SAFETY

- Product Safety is the state in which a product is able to perform to its designed or intended purpose without causing unacceptable risk of harm to persons or damage to property .
- Critical items identified by SOURIAU will be communicated to supplier through PO/Drawing/BoM/ Control Plan/Inspection plans etc.
- Handling of critical items in all process will be managed by usage of applicable protective equipment such as gloves, finger cots etc which will be identified in the supplier’s respective Work Instructions.
- Awareness on product safety and the management of critical items will be provided to all users by the respective process owners at Supplier end.

- Preservation conditions for the critical items during incoming , WIP and FG stage will be communicated through the Control Plan/Work instructions maintained by the Supplier.
- Any occurred events affecting safety will be analysed and reported to the safety officer which will be recorded in the Accident/Incident Reports. Corrective actions will be initiated as per the procedure for corrective actions.
- Q Alerts/Safety Alert will be prepared and displayed for the occurred events and personnel are trained.
- The physical and functional characteristics of the identified critical items will be managed by inspection/functional testing as per Inspection/Control Plan.

4.21 ETHICAL BEHAVIOUR

- The Supplier should maintain High standard of ethics in the business.
- Employees should be made aware on the requirements of ethical behavior.
- Written ethical guide lines can be provided to all employees.

5 PURCHASING EXPECTATIONS

5.1 SUPPLIER EVALUATION AND RE EVALUATION

SUPPLIER EVALUATION

- A Preliminary Vendor Assessment audit (Evaluation) will be carried out before placing the first pilot lot order by a cross functional team consisting of members from Projects, Quality Assurance, Vendor Development and Supply Chain Management. If any vendor is assessed earlier, the same vendor will not be assessed again.
- After the assessment , vendors will be short listed as Registered Vendors based on the criteria like capacity to supply, technical competency, Quality Management System, experience in supplying similar products ,Financial strength etc.
- The pre assessment can be waived for Traders, Dealers of branded products, Manufacturer of proprietary products, reputed raw material suppliers or any other customer specified suppliers.
- Suitable vendors will be selected based on Quote and their performance in Pre assessment audit.

- Confidentiality agreement and Child labour Prevention agreement will be executed by the selected vendors if not done earlier.
- Order will be given to the selected vendor for supplying the production samples to perform FAI
- Purchase Order for pilot lot or first lot production will be issued after the customer approval of FAIR.
- After the successful execution of pilot lot or first lot order, the vendor will be added to Approved Supplier's List (ASL).

SUPPLIER RE EVALUATION

- Supplier is re evaluated for the following situations :
 - If the Supplier Performance Index (SPI) is rated Poor consecutively for 4 quarters.
 - Based on a customer audit and resulted in a Poor performance rating
 - If there is a change in Management
 - If the supplier location is changed
 - When there is a major customer complaint

5.2 PURCHASING INFORMATION

The purchasing information to supplier will include, as applicable:

- The requirements for approval of product / service / processes / equipments / Qualification of personnel / QMS Requirements etc as appropriate to the product / service purchased.
- The name or other positive identification, specifications, drawing numbers with revision status, process requirements, technical data etc as appropriate
- Inspection instructions as to whether it will be carried out at supplier premises or at SI and any specific instructions with the usage of particular measuring equipments and the method of product release, if carried out at suppliers end.
- Requirements for design (Where design of jigs / fixtures / tooling are carried out). Test, examination and acceptance instructions by SI as appropriate to the product.
- Requirements for test specimens for inspection / investigation / auditing purposes, as appropriate.

- Requirement for objective evidence of the quality of the product (like Certificate of conformity, Test certificates, MSDS etc), as appropriate
- Delegation of verification to supplier, if any will be indicated, which will be as per the register of delegations maintained at QA.
- Retention period of records related to the product / process supplied, as per the customer requirements
- Penalty clause as applicable for the quality or delivery issues.
- Confidentiality Agreement with Suppliers, as applicable
- Configuration Management requirements
- First article inspection Requirements
- Instructions to use the same special process supplier used by SI, in case the supplier out sources the special process, as applicable
- Monitoring and control of key characteristics, **special requirements and Critical items** and submission of related records, as applicable.
- Delivery requirements, (Including packaging, labeling)
- Supplier shall notify to SOURIAU on non conforming material through E mail / Fax / Letter and SIPL will arrange for the approval of the same, as applicable.
- Finished products should not contain any RoHS directive restricted substance.
- **Prevention of Counterfeit Parts**
- **Product Safety**
- **Ethical behavior**

The same is communicated to the supplier through this Supplier Quality Manual and its reference is mentioned in the Purchase Order

The purchase order is printed with the following informations

- Description
- Part number , Revision
- Quantity
- Price
- Mode of Delivery
- Need date
- Packing details
- Invoice Address

- Delivery Address
- Terms and Conditions
- Supplier Quality Manual Reference

5.3 SUPPLIER DELEGATION

- Supplier is asked to adhere to the instructions and carry out the delegated activities mentioned in the Supplier delegation Register.
- Necessary records should be maintained against each delegated activities.

5.4 ACTION ON SUPPLIERS

- When the Quarterly Supplier Performance Index is Poor, the Supplier will be asked to provide the corrective action.
- If the Supplier Performance is poor consecutively for 4 quarters the supplier performance will be reviewed objectively by SOURIAU and the decision on the continuance of the supplier will be taken based on the review.
- Supplier is asked to take necessary corrective actions for all non conformances highlighted by SOURIAU on quality or delivery issues. Necessary reports either in the form of 8D or CAPA should be submitted in 2 weeks time. Failing which Supplier Performance Rating will be affected (On RESPONSE Index).

5.5 SUPPLIER RISK MANAGEMENT

- During Evaluation, Suppliers also will be Evaluated for the severity of Risks that may affect the Quality and Delivery of the Product
- Based on the HIGH Severity ranking of Risks, the suppliers will be advised to initiate actions to Reduce or Eliminate the Risk
- Supplier is also advised to evaluate the Risks on Sub supplier's process and to initiate mitigation plans on HIGH Risk rankings to Eliminate or Reduce the Risks.
- The actions taken will be monitored during the Supplier audit.

5.6 CONFIDENTIALITY

- SOURIAU India provides information in the form of BOM, formats, solid models, electronic data, drawings, software only on need to know basis.
- Any transfer of property to third party shall be notified.
- All proprietary information must be returned to SOURIAU India on notification.
- Utmost care has to be taken to protect, safeguard and report in loss and damage of customer property.
- Confidential property includes but not limited to BOM, formats, solid models, electronic data, drawings, software.
- Confidentiality agreement created between the supplier and SOURIAU India will be applicable.

5.7 SUPPLIER MEETINGS

- Meeting will be held once in three months either at Supplier's premise or at SOURIAU India
- Rejection details, audit results, CA, effectiveness on CA will be discussed.

6 STORAGE , LABELLING AND PACKAGING REQUIREMENTS

6.1 INTRODUCTION

- Supplier has to follow the storage, labeling and packaging requirements defined by SOURIAU India. It must be notified if any Souriau supplied item arrives in a condition that prohibits supplier from meeting expected quality requirements. Product shall be packaged in such a way that its weight or size will not impact negatively on the mode of transport.

6.2 STORAGE

- Preserve the Material / Parts in a Clean Area, Protected from Dust, Water, Moisture and Sun Light inside the stores in the respective places as per location chart
- FIFO Method should be followed to issue or dispatch the products or raw materials
- Shelf life items list to be maintained and controlled.

- Supplier is responsible for reviewing shelf life of raw material and make sure that out dated raw material is not used in production.
- In the case of supplies having a shelf-life limit, the expiry date must be clearly indicated on each unit of conditioning of the supply .No delivery of supply must include a shelf-life lower than 1 year without prior agreement of SOURIAU. For Polymers date of vulcanization must be indicated on the packing label.

6.3 LABELING SPECIFICATION

- All packs should be clearly labeled.
- Lot with wrong identification will be considered nonconforming.
- Packaging label shall include
 - Part number/Drawing number
 - Part description
 - Quantity
 - Invoice/DC number
 - Lot or batch number

6.4 PACKAGING REQUIREMENTS

- Suppliers are responsible to design all packages unless otherwise designed by SOURIAU India.
- Supplier must submit a packing proposal before the first supply of a new part.
- Packaging shall be capable to adequately protect the product during normal transportation and handling methods.
- Products should be delivered free from contamination and damage.
- If SOURIAU India designs the packing standard the supplier must follow the specification.
- There shall be only one part/lot number in a packaging unit.

6.5 DISPATCH REQUIREMENTS

- Invoice

- PDI Report or Final Inspection Report
- Raw material test report
- Plating thickness report , if applicable
- Reference to SOURIAU India PO has to be correctly mentioned.
- Dispatching details has to be intimated in advance by mail.

7 SUPPLIER PERFORMANCE AND EVALUATION

7.1 INTRODUCTION

- Suppliers will be monitored for the performance by establishing controls
- Supplier Performance rating (SI/09/08) will be carried out for Quality ,Delivery, Cost and Response time
- Supplier performance rating system checks to what extent a supplier does what he agreed to do w r t quality, delivery, Cost reduction proposal and Response time.

7.2 SUPPLIER SCORE RATING CRITERIA

- SOURIAU India has developed a standardized rating system to evaluate the suppliers. Following criteria will be considered to determine the rating of a supplier.
 - Quality
 - Delivery
 - Cost
 - Response time

Once the QI, DI, RI, CI are measured, the Supplier Performance Index (**SPI**) index calculated for every quarter.

$$\mathbf{SPI = QI + DI + RI + CI}$$

The SPI is evaluated as

Index	Assessment relationship
SPI from 90 and above	Excellent
SPI from 80 to 89	Very Good

SPI from 70 to 79	Good
SPI from 60 to 69	Reasonable
SPI less than 60	Poor

7.3 QUALITY INDEX

- A Quality Index (**QI**) is first calculated, which lays down the relative number of defective parts supplied in relation to the total number of parts supplied.
- The QI is calculated on a quarterly basis, per supplier for all goods received. It reflects the results of inspection.

$$\text{Quality Index (QI)} = \left(1 - R1 \right) \times 40$$

Where,

R1 = Average of the rejection ratios

= (the number of parts rejected) / (the total number of parts inspected)

7.4 DELIVERY INDEX

- A Delivery Index (**DI**) is calculated by giving a maximum of 100 points for schedule delivered on time and for delayed deliveries, points will be reduced proportional to the delay as given below.

Schedule received on Time or earlier = 100

Schedule received with delay of ' n ' days = (1 - n /15) X 100

Delivery points for delay more than 15 days will be zero.

$$\text{Delivery Index (DI)} = \left(\text{Average points scored} / 100 \right) \times 40$$

7.5 SERVICE/RESPONSIVENESS SCORE

Response Index (RI): Response Index will be the sum of points scored on 5 individual service area , ie ,

Order Acceptance, Response to urgencies, late line alert, Dispatch intimation & Response to Quality Complaint. Each service area will have 2 points .

OA	RTU	LLA	DI	RTC
2	2	2	2	2
OA:Order Acceptance, RTU: Response to urgency ,DI:Dispatch intimation , RTC: Response to Quality Complaint. LLA: Late line alert				

7.6 COST INDEX

Cost Index is based on the cost competitiveness and cost reduction proposal provided by the supplier.

CI is the sum of Fixed Cost, Cost Reduction and Cost increase. Points will be deducted for cost increase.

Criteria	FIX	CR	CI
Points	7	3	-2

7.7 SUPPLIER AUDITS / SCORING METHODOLOGY

- Supplier audit is conducted as per the yearly plan which is prepared at the beginning of every Calendar year.
- Supplier audit consists of both System audit and Process audit. Audit schedule is communicated to the supplier well in advance
- Product audit is conducted once in 6 months.
- System audit is conducted once in a year.
- Total audit score will be a maximum of 100% for System audit. The following are the performance categorized on different scores obtained in the system audit

EXCELLENT - Score > 85

GOOD - Score > 65 < 85

AVERAGE - Score > 50 < 65

POOR - Score < 50

Supplier will be asked to take necessary corrective actions for any non conformances noticed in the audit.

Verification of the Corrective actions taken will be done by SOURIAU during the follow up audit as per the plan.

Improvement in the audit scores should be shown in the succeeding or consecutive system audit

- Process audits will not have any scoring.
