



**Charleston Metals Products, Inc.**

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**Supplier Requirements Manual  
Revision 10  
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# Charleston Metal Products, Inc. Supplier Requirements Manual

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# Charleston Metal Products, Inc. Supplier Requirements Manual

## [Charleston Metal Products Policy](#)

### **Our Commitment to Excellence: Quality Policy & Objectives**

- To meet or exceed our Customer's expectations in regard to quality, service & value.
- Provide a safe working environment for all of our Employees.
- Continue to enhance the skills of our Employees through on-going training and education.
- To continually improve our processes, equipment and systems in order to be "World Class".

The main role of our quality policy is to define the principal goal for our business in our pursuit for excellence. Senior management communicates the company's commitment and dedication to delivering a quality material to its customers. The policy is posted throughout the company, posted on the internet, explained during orientation training provided to all employees, and communicated to customers, suppliers, and other interested parties. To achieve our policy, Charleston Metal Products has established specific objectives.

### **Our Vision**

Through the development and application of our core values of *integrity, commitment, and service*, Charleston Metal Products will be the preeminent service center in our market by providing superior value in our relationships with our customers, employees, owner and our supply base.

What do our values mean to our business relationships?

#### *Integrity*

- doing the right thing

#### *Commitment*

- doing things right

#### *Service*

- doing things with the right attitude

Every Charleston Metal Products supplier has the responsibility for assuring that all materials and services produced for, or provided to, Charleston Metal Products conforms to the latest Charleston Metal Products specifications. This includes any accompanying specification set forth by Charleston Metal Products including those stated on the Purchase Order and those contained in this Supplier Manual.

In order to accomplish our mutual goals, we recommend that all suppliers become compliant to IATF16949:2016. However, registration to ISO 9001:2015 is the minimal requirement for our



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supply base. Charleston Metal Products reserves the right to inspect records and/or evidence of the supplier's quality system at their design and manufacturing site(s).

This manual is an obligation between Charleston Metal Products and you, the supplier. Acceptance of our purchase order to provide goods and / or services constitutes as the supplier's commitment to comply with these requirements.

### Standards

1. All suppliers must perform in-process and final inspection or testing at established intervals to assure conformance to Charleston Metal Products specifications.
2. Evidence of established inspection or testing must be supplied to Charleston Metal Products through the use of Statistical Process Controls (SPC) upon request. Each supplier is required to supply evidence of inspection or testing when requested.
3. A Supplier Assessment Audit (SAA) may be conducted at the supplier's site to ensure that all control plans, process instructions, gage / test equipment are in place for production.
4. Where suppliers to Charleston Metal Products use subcontractors, all criteria in this manual apply to the subcontractor. In cases of non-compliance, the supplier will be held responsible financially, as well as corrective actions and supplier rating, for any issues related to subcontractors.
5. All material or services manufactured or provided to Charleston Metal Products must be in accordance with this document and subject to the Purchase Order terms and Conditions of Charleston Metal Products.

### Quality Objective:

Charleston Metal Products' target objective is zero defects in all its products and services. This goal applies to every facet of our company in order to achieve a culture of continual improvement and to promote total customer satisfaction. Charleston Metal Products' suppliers are a critical element in achieving this goal. Suppliers are expected to have target objectives as zero defects through their own efforts.

It is expected that the supplier incorporates necessary process controls to prevent, detect and correct defects well before the final production implementation of the product. Charleston Metal Products' total cost and lead time to acquire material and services from a supplier is influenced by the suppliers yield and any nonproductive steps added to the process to "inspect in" quality of the supplied materials.



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## Quality System Requirements

It is the supplier's responsibility to develop and document systems committed to meeting ISO 9001:2015 as well as Charleston Metal Products stated expectations. The supplier must assign adequate resources, including trained personnel for management, production, and verification activities.

The supplier shall assure that all manufacturing processes are controlled through documented work instructions for operators, use of statistical techniques for component key characteristics, agreed upon by supplier and Charleston Metal Products, and corrective & preventive actions if non-conformances occur. There are instances where traditional SPC techniques may not be appropriate, (i.e. low volume production, non-normal distributions). These cases must be discussed individually with Charleston Metal Products.

The supplier shall establish and record evidence of an information control system (hardcopy, electronic, and intellectual information) to assure only current specifications supplied by Charleston Metal Products are in use. The supplier will assure that all obsolete specifications are removed from service and destroyed.

Records must be maintained for the life of the program plus one year. Records should be maintained for, but not limited to: PPAP documents and samples (when requested), process failure mode effect analysis (PFMEA), control plans, process capability studies, gage repeatability and reproducibility (Gage R&R), studies, functional test data, in-process and final inspection data, and raw material certifications.

The supplier must identify all inspection, measuring, and test equipment, either privately or supplier owned that could affect material quality. These instruments must be calibrated at prescribed intervals or prior to use against certified equipment having a known valid relationship to internationally recognized standards (e.g., National Institute for Standards & Testing). Records of calibration are to be maintained by the supplier and available upon request.

Internal quality audits should be performed to confirm the effectiveness of the supplier's quality system. Results of the audits should be recorded and communicated to those employees having responsibility for the audited area. Any non-conformity identified should be investigated for the proper corrective actions.

Suppliers shall document their processes to ensure 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 any CMP identified country of destination, if provided.



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If CMP defines special controls for certain products with statutory and regulatory requirements, then the supplier shall ensure they are implemented and maintained as defined.

### APQP & PPAP

Charleston Metal Products is always striving to bring on new work from any current or potential new customers. When new work is awarded which will require an outside service from one of Charleston Metal Products suppliers, that supplier will be notified via email. The email will include at a minimum the following documents:

1. A CMP or Customer Blueprint,
2. An APQP Checklist stating what level of PPAP and documents are required from the supplier to get the PPAP approved. Depending on the requirements from the Customer, Charleston Metal Products will require a level 3 or a level 4 PPAP.
3. A copy of the Supplier Manual to ensure that the supplier has the latest version on hand.

The APQP Checklist will list the documents that are to be sent to Charleston Metal Products. This format follows the current AIAG PPAP requirements and is to be followed. The APQP Checklist will also list the due dates for each of the documents that are required to complete the PPAP. These dates are important to ensure a smooth launch between Charleston Metal Products and our Customers. If these dates are not met, it could result in Charleston Metal Products and/or the supplier to be visited by the Customer for not meeting the PPAP build date. These dates are driven by the Customer, but Charleston Metal Products will do our best to communicate any unforeseeable issues that can arise to the Customer. This will help keep everyone up to date with the status of the APQP Project both at the supplier and at Charleston Metal Products.

When the APQP Checklist is sent to the supplier, the sections that will require documents to be sent to Charleston Metal Products will show a status of "FAIL". As the document(s) are completed for the APQP Checklist, they should be sent to the CMP Contact that is listed on the form for review. Charleston Metal Products will record the date that the document(s) are received in the corresponding column. If the documents are approved, then the date completed will be filled in and the status of that portion of the APQP Checklist will be changed to "PASS". If the documents need updated or modified after being reviewed, the notes section of the APQP Checklist will explain the reason the document is being rejected. Once all the documents have been approved and the percent complete at the top of the APQP Checklist shows 100%, a member of the Quality Team will sign off on the PSW giving the supplier full approval for that project. Once the PPAP is approved, at no time can the process be changed without Customer approval. If at any time a supplier will not be able to meet any of the required dates or have any questions about the APQP Checklist, please contact the CMP Quality person listed on the top of the document.



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## Annual Validations

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Some Customers require that Charleston Metal Products conducts an annual layout for certain products/services. A member of CMP Quality will reach out to those suppliers that provide services for the parts that require an annual layout. For the annual layouts, Charleston Metal Products will only require a level 4 PPAP from the supplier. The documents that will be required are:

1. A numbered print for the dimensions that you are providing services for,
2. Certification for the batch that is being measured at Charleston Metal Products. This will be provided to you at the time of the request,
3. A level 4 PSW.

## Evaluation of Supplied Material or Services

Charleston Metal Products may inspect and/or test all lots for conformance to specifications using statistical techniques and/or any other zero acceptance level plans deemed appropriate, including 100% inspection and/or testing. All services, parts and/or shipments that do not conform to specifications may be returned to the supplier for replacement and/or credit. Charleston Metal Products reserves the right to conduct on-site quality reviews of the supplier's site(s). The purpose of such a review is to assess the supplier's ability to comply with Charleston Metal Products' general specifications and to audit production facilities for compliance to requirements. Charleston Metal Products will maintain a supplier quality rating system and future purchases will be based on this rating system.

Process monitoring records must be maintained for each lot shipped to Charleston Metal Products for periodic review upon request.

## Communication of Change

For all initial issues and revisions to Charleston Metal Products specifications, the supplier shall address any issues to the Quality Manager in writing.

The supplier must not ship non-conforming material to Charleston Metal Products unless authorization is given by the Quality Manager. Request to ship non-conforming material must be documented on a Request for Deviation form. At that time, the supplier must clearly mark all containers, material and certifications indicating deviated material and attach a copy of the approval.



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The supplier must inform Charleston Metal Products of all changes in their manufacturing locations, packaging, shipping, or status, including function of the material. This includes any re-work activities. Such changes may not appear to affect material conformity, but may have an adverse affect on the function, reliability, or manufacturability of Charleston Metal Products' Customers product that the supplier could not have foreseen. Production issues and problems associated with unannounced changes will affect the Supplier's rating, future purchases, and potential charge-backs. Suppliers are required to complete a Planning of Change Request form to a member of CMP Quality as soon as the change is identified.

### Material / Process Specification Sheets

By quoting to the Charleston Metal Products specification, you as the Supplier are obligated to supply material per the specifications provided and at a minimum, all data required by the specification sheet. The Charleston Metal Products incoming inspection department will reject any material or processed material received without such data. These rejections will affect your Supplier Quality Rating.

The supplier is responsible for ensuring that they are sending material to the correct blueprint revision. Please contact the Quality Engineer or the Quality Manager if you have any questions concerning revision levels or specifications.

Charleston Metal Products requirements may be detailed in the form of specification sheets, customer supplied drawing or stated on RFQ.

### Certifications

Certifications shall be readily available upon request for all products your company processes for Charleston Metal Products. Certifications from suppliers that are supplying a service to CMP must at the minimum provide the following for each Charleston Metal Products shipment:

1. Date product was manufactured/processed
2. Part Number
3. Batch Number coming from Charleston Metal Products
4. Quantity of parts processed
5. List dimensions being checked as shown on blueprint
6. List actual reading taken for dimensions being checked
7. All readings must be recorded in the same units as used on the blueprint. If the blueprint shows the dimensions in Metric, then the readings taken must be reported in Metric
8. The Supplier representative must sign and date the document
9. A micrograph of the compound layer for parts that require QPQ





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Certifications are required for raw materials that your company processes for Charleston Metal Products. Raw material suppliers must at a minimum provide the following for each shipment:

1. Purchase Order Number
2. Heat number
3. Material description including any Customer Specific Requirements
4. Chemistry analysis
5. Grain size
6. Jominy hardness

Any shipments received without the required information will immediately be placed on hold in our Nonconforming Material area and a non-conformance will be issued. This material will be considered non-conforming until the appropriate certification has been provided.

### Lot Traceability

Suppliers are required to maintain total traceability throughout the processing of all material and products. Any previous process traceability must be transferred or maintained through the next operation and must extend to the certification. At a minimum, lots must be identified with the suppliers processing date and/or batch number.

### Barrel Plating Traceability

Barrel plating lot integrity and traceability are required of all barrel platers. Upon the first run of a product, Charleston Metal Products will send sample lots for platers to determine plating load size. Once the load size has been determined, the supplier must contact the Charleston Metal Products Quality Manager with the load size. At that time, we will synchronize the lot sizes and load sizes. Once the material has been plated, the supplier of the plating is required to affix their plating identification tag to that lot. Lot traceability of raw material must be kept at all times of production plating.

### Heat Treating / Annealing / Part Processing

At Charleston Metal Products we recognize that lot traceability can be somewhat difficult during part processing, however, we do require lot integrity and traceability to be maintained. Please contact the Charleston Metal Products Quality Department for specific information or concerns.



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## Approved Supplier List Requirements

Effective with the release of this version of the Supplier Requirements Manual, Charleston Metal Products has implemented a Supplier Development process and performs supplier quality management system development activities with the goal of supplier conformity with the IATF16949:2016 by an accredited third-party certification body. Registration to the ISO 9001:2015 is the first step in achieving this goal. Unless otherwise specified by our customer, suppliers to Charleston Metal Products supplier and subcontractors must be third party

registered to ISO 9001:2015 by an accredited third-party certification body. Charleston Metal Products must have a copy of the supplier's current cert and CQI documents on file.

Minimum Supplier Requirements include the following documents:

- 1) Acknowledgement and Receipt of Supplier Manual
- 2) Completed Supplier Profile for new suppliers after January 1<sup>st</sup>, 2018
- 3) Completed Supplier Assessment & required supporting evidence / documents
- 4) Lab Scope of Capabilities

The Quality Manager is responsible for maintaining a list of acceptable suppliers (APPROVED and PROBATIONARY). The list is known as the Approved Supplier List. The list is updated and authorized by the Quality Manager, at a minimum annually.

APPROVED - Purchasing may order products or services from this supplier.

PROBATIONARY - A new supplier or a supplier with poor quality history. Purchasing may order products or services from this supplier. However, the supplier has been presented with corrective action requests, which must be implemented within a specific time period. If problems are not corrected the supplier is:

- a) reclassified into the NOT APPROVED category and de-sourced,
- b) placed on a probationary status to compensate for the lack of confidence in the quality capability of the supplier and labor expenses are charged back to the supplier monthly until resolved or resourced.

NOT APPROVED - The supplier is not qualified due to major nonconformities or other problems. Purchasing may not purchase products or services from this supplier.

When a PROBATIONARY or APPROVED supplier is involved in a merger, acquisition, or a major re-organization, the supplier is reassessed to confirm their continuing quality capability and effectiveness.



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A Supplier Quality File is established for every supplier. All documents supporting the initial evaluation and qualification of the supplier are placed in the file. The file is also used for keeping records of the supplier's ongoing performance.

### *Disqualification and Re-qualification*

A supplier will be removed from the Approved Supplier List if the supplier does not meet minimal approval rating per the Charleston Metal Products supplier rating program. They can be re-qualified only after corrective action has been approved and verified by Charleston Metal Products.

### *Supplier Rating*

Charleston Metal Products will monitor data on several performance categories for use in rating its supplier base. Although Charleston Metal Products reports to the suppliers at a minimum of every 6 months on their performance, Charleston Metal Products expects its suppliers to maintain and report self-directed performance measurables as well. Charleston Metal Products expects its suppliers to use this information to determine their performance trends and verify the effectiveness of their continual improvement programs.

The purpose of this rating is to provide an overall picture and ranking of the performance of individual Charleston Metal Products suppliers based upon a cumulative effort of Manufacturing, Quality, and Purchasing, for the areas of Quality, Delivery and Supplier Corrective Action Responsiveness (SCAR). For suppliers of calibration services, supplier ratings will be based on timeliness and quality of service only.

Supplier quality performance is continually monitored through the following indicators per each section of the scorecard:

#### **Quality Performance:**

The quality section of the scorecard contains two of the three metrics that determine the supplier rating at the end of each month. Those two metrics are the SCAR Timeliness and the supplier's DPPM. Other metrics that help contribute to those items are Rejections/Concerns, Total Pieces Received, Total Pieces Non-Conforming and Actual DPPM. Starting with the scorecards of 2023, there will be a new metric that will be added called APQP Timeliness. This will be scored on the supplier meeting the required due dates on any new products that have been awarded to them from one of Charleston Metal Products Customers. The due dates that are listed on the APQP Checklist will be used to determine if the supplier is meeting this requirement.



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## **Delivery Performance:**

10 The delivery section of the scorecard contains the third metric that is used to determine the supplier rating at the end of each month. This metric is On Time Delivery. All dates issued by Charleston Metal Products to suppliers / sub contractors are to be interpreted as "On Dock Date". Other metrics that are recorded in this section are Total Shipments Received, Total Shipments on Time, Damaged Shipments, Premium Freight & Missing/Incorrect Paperwork.

All deliveries are tracked with respect to their on-time performance and use of premium freight. Supplier on-time delivery performance records are maintained in the supplier's quality record file. Suppliers with unsatisfactory on-time performance are asked to investigate the causes for their failure to meet the delivery schedule and maybe required to complete the SCAR process and implement corrective actions. This information is reported through the Supplier Scorecards.

## **Risk to CMP Customers:**

When supplied product, material or service nonconformity is responsible for customer plant disruption or product return from the field, the responsible supplier is downgraded to PROBATIONARY status and a SCAR is required to investigate the problem and implement corrective action (see SCAR content requirements). Corrective action requests and other supporting evidence records may be maintained in the supplier's quality record file.

## **Special status customer notifications:**

Suppliers who may be in part or in whole responsible for special status customer notifications related to quality or delivery issues are obliged to cooperate and assist in addressing problems and responding to customer requests, and for corrective actions. All pertinent records of supplier involvement and actions may be maintained in the supplier's quality record file. Suppliers who repeatedly fail to deliver satisfactory products, and/or do not deliver on time despite earlier complaints and requests for corrective actions, are downgraded to either PROBATIONARY or NOT APPROVED category.

## **Supplier Quality**

10 Input from the Cost of Poor Quality (COPQ) report is translated, if needed, to a SCAR (Supplier Corrective Action Report).

It is possible that a COPQ be documented in a given time period and no SCAR issued to the supplier. Examples for such occurrences include, but not limited to: staining of material, isolated surface defects, & etc. which may be cut out resulting in small quantity of scrap material loss. These will be identified in the Rejections/Concerns area on the scorecard.

When possible, a sample may be sent to the supplier to show defect found. We will also tell them the amount of material loss or unusable. Then we will either request a credit and return or credit less scrap value. Final chargeback decisions are discretionary by the Charleston Metal Products Management Team. Suppliers will be notified of the final disposition.



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For Example: A supplier with 30,000 pieces or pounds delivered for a month and having 1,500 pieces rejected, will have a Defective Parts per Million of 50,000.

$$(1,500/30,000) * 1,000,000 = 50,000$$

Ratings will be given based off of the Suppliers DPPM.

1. 0-150 DPPM=100%
2. 151-300 DPPM=95%
3. 301-550 DPPM=90%
4. 551-750 DPPM=85%
5. 751-1,000 DPPM=80%
6. 1,000 & Above=75%

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### Supplier Delivery

Individual receipts for the period are scrutinized according to the current 'on-time' delivery requirements. Acceptable delivery window is defined as 20 calendar days from the ship date to the receipt date of the product. If a supplier is not able to meet the 20 day requirement for any reason on a shipment, they can contact the Director of Operations to ask for an extension. Based upon the total receipts, the percentage 'on-time' is calculated by division of receipts on time / by number of receipts. In the event that CMP reprioritizes the product that is at the supplier's

facility, the supplier will not be penalized for a late shipment on the product that was pushed out.

For suppliers of raw material, O-ring's & castings the due date will be measured by the date that was agreed upon when the material is ordered. If the date agreed upon is missed, then that shipment will be considered late. Dates may be adjusted based on the Customer's requirements.

***Note: Suppliers with less than 80% delivery may require corrective action regardless of overall Supplier Performance Rating for the time period being reported.***

### Supplier Corrective Action Responsiveness

Suppliers that do not submit corrective action responses within the provided time (30 days from notification) will not get credit during the month issued. Response rating will be number of scars issued / number of scars answered for their rating as a percentage. For example: Four (4) scars issued / three (3) scars answered will give a response rating of 75%.

Scars determined to be invalid will not be included in calculations.

***Note: Any scars answered after publication of supplier quality performance report will be seen as adjustment on future performance report. 100% scar response is expected.***



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## Supplier Rating Overall

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Overall rating adds together each percentage of **DPPM, On-Time Delivery, and SCAR Timeliness**. Divide total by three (3), and this gives the overall performance rating.

*Note: Suppliers will be considered in conformance with Charleston Metal Products Inc. quality requirements when their quality performance rating is above 95.0%, delivery rating is above 95.0%, and the CAR responsiveness rating is above 95.0%. This information will be based on a rolling 12 month average.*

A written corrective action plan may be requested for an overall performance or quality rating that is below 80.0% respectively. The decision will up to the Management Review Team. The plan must be submitted to Charleston Metal Products Inc. within thirty days. Corrective actions for late deliveries, when appropriate, are addressed individually through the submission of SCAR's.

100 % - 95 %	Outstanding
94.9 % - 90 %	Excellent
89.9 % - 80 %	Satisfactory
Below 80%	Unsatisfactory

## Qualification Process

From the earliest moments that a supplier becomes involved with developing materials, products, or processes for Charleston Metal Products, the supplier must endeavor to gain as much knowledge as they can about the role they play in the final material and how it will get there. The knowledge of the function the supplier plays in the component and how it will be handled throughout the manufacturing process and during shipping are essential to proper development of the component design.

## Continual Improvement

After the material and process have been approved, Charleston Metal Products expects the supplier to utilize the numerous quality tools, such as statistical process controls, to improve and optimize all elements of the manufacturing and business process. The goal of these efforts is to improve the quality, service, and value of the product. Cost reductions and PPM rates will be key measurables in determining the effectiveness of the supplier's continual improvement process.



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### Shipping Documentation

10 If certifications are required by CMP, the certifications must accompany each shipment of material along with the bill of lading and packing slip. Any shipments received with the required information missing will be immediately placed on hold in our Nonconforming Material area and a non-conformance report issued. This material will be considered non-conforming until the appropriate certification has been provided. The Charleston Metal Products receiving inspection department will reject any material received without complete documentation and these rejections will affect your supplier quality rating.

### Packaging

Upon shipping material back to Charleston Metal Products, the material must be packaged so it will not deteriorate or be damaged in transit. Deterioration / damage include protecting / packing all shipments in a manner that will prevent rust, staining, and contamination formation from dock to dock including in-transit. The required certification and shipping documentation must also be packaged in such a manner that it will not deteriorate or be damaged in transit as well.

### Non-conforming Material Found at the Supplier

A Request for Deviation form is a tool available when non-conforming material is thought to be useable "as is" or after rework by the supplier. The supplier should always have an alternative plan if the request is rejected. The request for approval should be considered a last alternative when the supplier is trying to correct a non-conformance.

In cases where a deviation is approved for non-conforming material, the issue will still appear as a NCR occurrence on the supplier's report card as it was received non-conforming to the published standard at the time of receiving the material to the Charleston Metal facility. A SCAR may also result in the occurrence even in cases where the deviation is approved. Such decisions are at the discretion of Charleston Metal Products Management.

To submit a request for approval the supplier must first determine the time period needed to make irreversible corrective actions to the non-conformance. Next, the supplier needs to determine the quantity that Charleston Metal Products will need to continue production during that time period. The request for approval must be submitted to the Quality Manager and include a detailed description of the non-conformance. The supplier cannot ship any non-conforming material until the appropriate Charleston Metal Products personnel have accepted the request. To ship without approval will result in an immediate rejection. *Awaiting acceptance of a request for approval is not an excuse to be late shipping product.*



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When shipping deviated material that has been approved, the shipping container, the individual product, and the certifications must be clearly marked indicating deviated product's assigned deviation reference number. The supplier must also put a very brief description of what action was done to the parts.

### *Non-conforming Material Discovered at Charleston Metal Products or our Customer*

Suppliers shall establish and document systems to prevent any non-conforming material from being shipped to Charleston Metal Products. All material and services that are not produced to the Charleston Metal Products specifications is the responsibility of the supplier, as well as all actions pertaining to the disposition and handling of that material. When non-conforming material is discovered at Charleston Metal Products, it will immediately be rejected from the location it is discovered and moved to the Nonconforming Material area. Any rejections resulting from non-conforming material or services require disposition by the supplier within five business days of notification. If a formal response is not received within this time period, Charleston Metal Products will sort the product either with internal personell or through the use of a 3<sup>rd</sup> party sorting company. The supplier will be required to issue Charleston Metal Products an RMA number within 2 days if the parts are to be returned. All actions and associated costs related to the nonconforming material are the responsibility of the supplier. Any costs passed from Charleston Metal Products Customers will be Charleston Metal Products suppliers' responsibility and all chargeback's will be debited accordingly.

In the event of non-conforming material, the supplier may be subject to disqualification, and Charleston Metal Products, at its discretion, may reject the entire shipment and cancel any open orders. In addition, the supplier may be responsible for all costs and expenses incurred by Charleston Metal Products as a result of the non-conformance if after investigation of said non-conformance, parts were found to be ran out of process. This may include any screening costs, rework costs or scrapped material costs at Charleston Metal Products or our subsequent customers.

If the supplier is responsible for the issue and is unable to immediately perform the necessary action required to fulfill Charleston Metal Products production needs, Charleston Metal Products will begin the necessary sorting and/or reworking operation. Charleston Metal Products expects the supplier to take control of these operations within 48 hours. Charleston Metal Products purchasing will debit the supplier's account for costs incurred on behalf of the supplier as a result of the supplier's delivered defects. Charleston Metal Products is not in the business of sorting and rework, and such incidents that require Charleston Metal Products to perform these actions on the supplier's material or services will be looked upon very unfavorable when rating the supplier for future business.





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In cases where a deviation is approved for non-conforming material, the issue may still appear as an NCR occurrence on the supplier's report card as it was received non-conforming to the published standard at the time of receiving the material to Charleston Metal facility. A SCAR may also result in the occurrence even in cases where the deviation is approved. Such decisions are at the discretion of Charleston Metal Products Management.

### SCAR: Supplier Corrective Action Request

A Supplier Corrective Action Request (SCAR) is generated by the rejection of purchased material or services. In the event that the supplier is notified that material or services does not conform to specifications, the supplier must have a system to efficiently and effectively determine the root cause of the non-conformance and implement corrective action. Charleston Metal Products requires initial containment and response to Charleston Metal Products within 48 hours of notification of a rejection. SCARs must be addressed where applicable, within 5 working days. Closure of an open SCAR is expected within 30 days. If for some reason extra time is needed, the supplier needs to notify the CMP Quality Manager.

### SCAR Procedure

The supplier must complete a Corrective Action Report anytime a non-conformance is issued by CMP. The supplier shall use the form that is supplied to them at the time of being notified of the non-conformance. This form has 11 sections that are to be completed by the supplier within the following timeframes listed below:

1. STEP 1 / PROBLEM CLARIFICATION - This section of the CA will be completed by the CMP Quality Member that is issuing the CA. This section will explain who found the part, when & where it was found, what the problem is and how it was found. Pictures of the non-conformance will be included as well as the suppliers job/heat number if it is available.
2. STEP 2 / CONTAINMENT - This section of the CA is to be completed by both CMP and the supplier. CMP will list what containment actions were started at the facility to ensure parts have not escaped the facility. It will then be the supplier's responsibility to complete what containment actions took place at their facility. **The containment part of the CA needs to be completed and sent back to a member of the CMP Quality Team within 48 hours of receiving the non-conformance.**
3. STEPS 3 & 4 / POINT OF CAUSE & ANALYSIS OF CURRENT SITUATION - This section is to be completed by the supplier. The supplier needs to show a flow chart of their manufacturing process and then highlight where the problem occurred within that process. List a quick summary of the problem to pursue. **This section needs to be completed and sent back to a member of the CMP Quality Team within 2 weeks of receiving the non-conformance.**
4. STEP 5 / TARGET CONDITION - This is where the supplier will then set a target of how they would like to proceed with the problem identified in step 4. **This section needs to be**



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**completed and sent back to a member of the CMP Quality Team within 2 weeks of receiving the non-conformance.**

5. STEP 6 / DIRECT CAUSE INVESTIGATION - The supplier will use the fishbone diagram to help identify the potential root cause of the non-conformance. The supplier is responsible to fill in as much information as possible in the diagram that best fits each idea during the brain storm activity. As each box is being filled in, the supplier needs to color code the number next to the box either green (Non-Contributor), yellow (Contributor) or red (Direct Cause). Not every box has to be filled in during the investigation process. Please be sure to carry the "Problem to Pursue" down from step 4 and list in the box on the right side of the diagram. **This section needs to be completed and sent back to a member of the CMP Quality Team within 2 weeks of receiving the non-conformance.**
6. STEP 7a & 7b / ROOT CAUSE IDENTIFICATION - This section is for the supplier to take any factors that are direct causes and "DIG DEEP" to understand any underlying factors that could have contributed to the non-conformance. The supplier should review How Made, How Released & Why Not Predicted. It is not a requirement to come up with all 5 Whys during the investigation, but the supplier is required to at least complete each section with up to 3 Whys. The root causes from each section will then need to be recorded in the blanks listed in 7b. **This section needs to be completed and sent back to a member of the CMP Quality Team within 2 weeks of receiving the non-conformance.**
7. STEP 8 / COUNTER MEASURE EVALUATION - Here is where the supplier will list the actions that will be evaluated from the fish bone diagram and the 5 Why investigation. Each action item that is to be evaluated must list an owner and a potential due date. At no time will an action item be accepted without both of these being listed in this section. **This section needs to be completed and sent back to a member of the CMP Quality Team within 3 weeks of receiving the non-conformance.**
8. STEP 9 / COUNTER MEASURE EVALUTION PLAN - This section is to be completed by the supplier. The supplier will list what actions are going to be implemented from section 8 and what the results of those actions taken were. This section also requires an owner and the date completed to be listed. At no time will an action item be accepted without these being listed. **This section needs to be completed and sent back to a member of the CMP Quality Team within 3 weeks of receiving the non-conformance.**
9. STEP 10 / CHECK COUNTER MEASURES - Here is where the supplier will list the test results of all actions taken from step 9 to ensure that the actions taken are effective in eliminating the potential non-conformance. All supporting data is to be embedded into the tab listed at the bottom as "SUPPORTING DATA". **This section needs to be completed and sent back to a member of the CMP Quality Team within 4 weeks of receiving the non-conformance.**
10. STEP 11 / LESSONS LEARNED - This section is for the supplier to review all other product that they are currently processing for CMP to see if this corrective action will impact them as well. If so, the supplier will need to list what other parts will be impacted by the implementation of this CA. The supplier should also share all of this information



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with their team and thank them for their support in eliminating this non-conformance moving forward. This section needs to be completed and sent back to a member of the CMP Quality Team within 4 weeks of receiving the non-conformance.



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### Revision History

REV.	CHANGE	BY	CK	DATE
2	Changed the discretionary decision from the Quality Manger to the Management Team in the Supplier Quality section. Added wording in Supplier Delivery to clarify how much actual time a supplier has before being considered late. Modified the wording in the Non-conforming material section to state that the supplier may be responsible for the costs instead of stating they will be.	JB	DC	3/1/16
3	Removed the acknowledgment page from the manual.	JB	DC	7/19/16
4	Changed the amount of days for OTD from "10 working days" to "20 calendar days".	JB	DC	12/15/16
5	Added O-Ring, casting & calibration suppliers to the manual and how they will be monitored for Supplier Performance.	JB	JB	10/5/17
6	Clarification on sections for Supplier Ratings, Supplier Quality & Supplier Overall Ratings.	JB	JB	12/18/17
7	Changed ISO/TS to IATF. Added Flow Chart to the Qualification Procedure for New Material/Services.	JB	JB	4/12/19
8	Modified the following sections with new verbiage: Certifications, Lot Traceability, Non-conforming Material Discovered at Charleston Metal Products or our Customer	JB	KW	10/19/20
9	Updated the Quality System Requirements to include statutory and regulatory requirements. Added the words, "by an accredited third-party certification body" to section Approved Supplier List Requirements.	JB	DC	5/14/21
10	Multiple updates to the supplier manual. All new updates are highlighted in yellow.	JB	JB	11/15/22