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Global Supplier Manual Appendix U – FCA EMEA Customer Specific Requirements for Suppliers

October 26, 2017

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Scope of this document

The scope of this document is to ensure compliance to customer requirement by sub-suppliers of SMR Automotive who are supplying for any FCA EMEA project. This document is listing requirements for these suppliers in addition to standard IATF16949 requirements and in addition to standard SMR requirements.

Responsibility

Suppliers who are supplier for SMR of a component for a FCA EMEA product shall meet all requirements listed in this document during the whole project lifetime. This includes but not limited to:

- Regularly check for updates of this document on www.smr-automotive.com
- Ensure availability and awareness of related FCA EMEA standards and requirements mentioned in this document
- Ensure requirements are met in their supply chain

1.0 Responsibility and Authority for Product Requirements and Corrective Actions (IATF 16949 section 5.3.2)

The Organization's Top Management shall individualize in its structure at least one Customer Representative in the Quality Department and/or in the Technical Area.
The Representative shall have responsibility and authority to ensure that these Customer requirements are addressed and implemented.

2.0 Plant, Facility, and Equipment Planning (IATF 16949 section 7.1.3.1)

See table 3.2 Section B

2.1 Environment for the Operation of Processes (IATF 16949 section 7.1.4)

The Organization, on its own liability, must provide evidence – when applicable – of Fire prevention certificate, issued by the competent authority.

3.0 Competence/On the Job Training (IATF 16949 section 7.2.2)

- Procedures shall be used in order to avoid that either contractors or agency personnel are assigned to quality critical jobs.
- Each location shall have a sufficient number of trained individuals such that computer applications necessary for direct support of FCA manufacturing can be accessed during scheduled FCA operating times, and other applications can be regularly accessed during normal business hours. The specific computer applications required will vary with the scope of an organization site's operations.

4.0 Communication (IATF 16949 section 7.4)

The organization shall comply with the Forever Requirements activities described in procedures FGP.01, attachment 6C Source Package.

5.0 Record Retention (IATF 16949 section 7.5.3.2.1)

- Quality Control records (e.g. control charts, inspection and test results) shall be retained for two calendar years.
- Supplier shall draw up a specific documentation related to qualification, and/or homologation, and/or environmental, and to production processes from which it must be evident, moreover, how, by whom and with which results the involved characteristics have been put on trial and approved. This documentation shall be stored by the Supplier for at least 15 years.
- Supplier shall ensure that checks and inspections can be performed by competent authorities.
- See also 3.2 – table in Section B

6.0 Operational Planning and Control (IATF 16949 section 8.1/8.1.1)

See 3.2 table in Section B

6.1 Confidentiality

See 3.2 table in Section B

7.0 Determining the Requirements for Products and Services (IATF 16949 section 8.2.2)

See 3.2 table in Section B

8.0 Review of the Requirements for Products and Services (IATF 16949 section 8.2.3.1.1)

8.1 Customer –Designated Special Characteristics (IATF 16949 section 8.2.3.1.2)

- A product characteristic is a potential "Key" characteristic when its variation out of the technical specifications (Non-Conformity) can compromise important aspects of the product itself, such as passenger safety (Report), Law/Legal approval Conformity, external Customer satisfaction, and internal Customer satisfaction. The Key characteristics related to the last two type of product aspects shall be pointed out on technical documentation with the symbol  .
- See also 3.2 table in Section B

9.0 Design and Development Planning (IATF 16949 section 8.3.2.1)

- FCA uses the Process Planning Review (PPR) and Process Audit (PA), documented in the Process Planning and Audit tool, for documentation of advance quality planning. When required, organizations shall participate in teams to develop parts or components and shall use PPR and PA.
- NOTE: All FCA Regions share common advance quality planning methods. A FCA-led Process Planning Review/ Process Audit (PPR/PA) program shall be performed for parts that have a Customer-monitored initial risk as identified by the Supplier Quality Engineer. Supplier-monitored parts shall have an organization-led program, unless otherwise specified by the FCA Supplier Quality Engineer. Parts that have been out of production for 12 months or more shall have an organization-led PPR/PA unless otherwise determined by the Supplier Quality Engineer. PPR/PA shall be completed prior to providing PS-level parts to FCA and shall be completely approved prior to a Full Approval/PPAP submission.
- Unless otherwise specified, changes made to advance quality planning processes are not retroactively applied to existing product development programs. In the absence of specific direction by FCA, the organization shall implement quality management system changes in time to be in conformance during their next new product development program.

9.1 Design and Development Controls (IATF 16949 section 8.3.4)

The Organization shall use FCA Italy or similar methodologies (07740 or FPW.IFP059 for Powertrain) for product approval process of its Suppliers. In case the Organization cannot afford this requirement, the product approval process adopted shall be validated by FCA's Supplier Quality.

10.0 Prototype Program (IATF 16949 section 8.2.3.1.1)

Supplier will provide all delivered prototype parts with Certification of Quality and Conformance of Prototypes (Ref. to 9.01103).
See also 3.2 – table in Section B

Product Approval Process (IATF 16949 section 8.2.3.1.1)

See 3.2 – table in Section B

11.0 Supplier Selection Process (IATF 16949 section 8.2.3.1.1)

To assess its Suppliers, the organization shall conduct at least an on-site Process Audit (according to FGP.14) and PDR – Production Demonstration Run (according to FGP15);
The organization shall have a documented process and use appointed personnel to monitor and manage performance (according to FGP.14, ref. 8B on PPA Matrix).

11.1 Customer –Directed Sources (IATF 16949 section 8.2.3.1.1)

If the organization has one or more Directed parts/suppliers:

- FCA is responsible for the Process Planning Review, Process Audit, and PDR activities up to and including Product Approval, with input from and participation of the organization (Tier 1 Supplier) unless specifically requested by the Customer also through formalization with RASI Chart.
- The organization (Tier 1 Supplier) is responsible for managing the on-going quality of the Tier 2 components following Product Approval and working with FCA to resolve issues.
- If the organization has one or more Consigned parts/suppliers, FCA is responsible for all quality activities up to and including Product Approval, as well as management of ongoing quality issues.
- See also 3.2 – table in Section B

12.0 Statuary and Regulatory Requirements (IATF 16949 section 8.2.3.1.1)

The Organization shall upload to the International Material Data System (IMDS), http://www.mdsystem.com, the data related to the chemical composition of its products. The Organization is even responsible for the data uploaded in IMDS related to the products of its own Suppliers (according to FGP.13 and FGP.14, ref. 9D on PPA Matrix).

12.1 Supplier Quality Management System Requirements (IATF 16949 section 8.4.2.3)

Supplier QMS development effectiveness shall be evaluated on the basis of evidence that the organization has

processes in place that include such elements as:

- Supplier QMS development strategy (8.4.2.5).
  1. Criteria for designating “exempt” suppliers.
  2. Criteria for granting waivers to select suppliers for compliance to specified elements of ISO 9001 or IATF 16949.
- Second-party audit administration (8.4.2.4.1).
  1. Identification of second-party auditors.
  2. Criteria for granting self-certification status to qualified suppliers.
  3. A schedule for second-party audits.
- Organization-controlled record keeping (7.5.3.2.1).
- Progress monitoring.

NOTE:
Organizations requiring additional guidance on supplier QMS development should refer to CQI-19: Sub tier Supplier Management Process Guideline.

Minimum Automotive Quality Management System Requirements for Sub-Tier Suppliers:
The organization shall prioritize the QMS development program for non-exempt suppliers to introduce compliance to the Minimum Automotive Quality Management System Requirements for Sub-Tier Suppliers (MAQMSR - Minimum Automotive Quality Management System Requirements for Sub-Tier Suppliers), as the first step beyond compliance with ISO 9001 or certification to ISO 9001.
At a minimum, the organization should require their non-exempt suppliers to demonstrate compliance to ISO 9001 and MAQMSR.

Supplier Development Not Required of Suppliers Certified to IATF 16949
Supplier QMS certification by an IATF-recognized Certification Body to IATF 16949 completely satisfies the requirements for quality management system development. Further QMS development by the organization is not required while the supplier’s certification is valid.
If the supplier certification expires or is cancelled or withdrawn by their Certification Body, the organization shall establish and implement a plan for second-party audits to ensure continued compliance to IATF 16949 until such time as the supplier is recertified.
Exemption shall not be granted as an alternative to recertification without approval from FCA Supplier Quality management.

13.0 Second Party Audits (IATF 16949 section 8.4.2.4.1)

The organization shall have a documented process for identifying and qualifying suppliers for whom self-certification is an effective alternative to second-party audits for QMS development. Qualification criteria shall include a preliminary evaluation (audit) of the supplier’s QMS, an analysis of the supplier’s quality performance and an assessment of the incremental risk to organization products.
Self-certification qualifications shall be documented and subject to periodic review. Such documents shall be managed as organization-controlled records (7.5.3.2.1).

14.0 Supplier Development (IATF 16949 section 8.4.2.5)

The organization strategy for supplier development of its active suppliers shall include a documented process for designating "exempt” suppliers – those suppliers who are unable or unwilling to fully certify a quality management system to IATF 16949 or ISO 9001.
The organization development strategy shall include provisions for granting partial exemptions (“waivers”) to suppliers providing commodities for which specific sections of ISO 9001 or IATF 16949 do not apply.
Except as noted in Section 8.4.2.3, declaring a supplier as “exempt” does not relieve the organization of the responsibility for supplier QMS development for any sections of ISO 9001 or IATF 16949 not explicitly waived.
Supplier development prioritization, exemption and waiver decisions, as well as the scope of individual exemptions or waivers, shall be documented and subject to periodic review. This documentation shall be retained as an organization-controlled record.

15.0 Information for External Providers (IATF 16949 section 8.4.3.1)

With respect to external providers to the organization (i.e. “sub-tier suppliers”), the organization shall:

- Cascade and communicate all FCA quality requirements (e.g., Quality Planning, Process Audit, PDR, Forever Requirements, etc.) throughout the organization’s supply chain.
- Apply the Requirements defined in 9.01102 (§.5.5.5 – 5.13) for any proposed process change throughout the supply chain.

16.0 Control Plan (IATF 16949 section 8.5.1.1)

See 3.2 – table in Section B

17.0 Identification and Traceability (IATF 16949 section 8.5.2)
See 3.2 – table in Section B

18.0 Property Belonging to Customers or External Providers (IATF 16949 section 8.5.3)
According to FGP.14, ref. 2D on PPA Matrix. All FCA-owned tooling shall be included into the organization's maintenance plan.

19.0 Layout inspection and Functional Testing (IATF 16949 section 8.6.2)
- Organization shall plan dimensional inspections and functional tests even if not expressly required by the
- Customer; this plan shall fulfill with a complete Self-Qualification, dimensional and material controls, once per year (unless otherwise agreed specified by the Customer);
- Records shall be available for Customer review and results must be submitted to Customer for revision.
- See also 3.2 – table in Section B

20.0 Acceptance Criteria (IATF 16949 section 8.6.6)
See 3.2 – table in Section B

21.0 Customer Satisfaction (IATF 16949 section 9.1.2/9.1.2.1)
FCA Purchasing and Supplier Quality use the Incoming Material Quality (IMQ) to evaluate customer satisfaction with its external production and service suppliers. IMQ stores, analyzes and reports organization performance data collected from SQP System and other sources within FCA. The IMQ report used for evaluation of organization site performance at a commodity level is the Monthly Supplier Scorecard ("scorecard").
The scorecard reports ratings in two categories:
- Quality
- Delivery

OEM Performance Complaint
FCA may, at its option, file an OEM performance complaint with a Certification Body when confronted with a specific organization quality performance issue where a root cause may be a nonconformance in the organization's quality management system.
FCA shall notify the Certification Body of the OEM performance complaint by sending the CB a notification letter that will:
- Identify the organization site;
- Summarize substance of the complaint;
- Document the affected element(s) of IATF 16949;
- Request a copy of the organization site's last audit report.

NOTE:
As FCA Italy is an IATF member; a request for client audit reports is permitted under Section 3.1.e of the Rules.
A copy of the notification letter will be sent to the organization, as well as the Certification Body's Oversight Office.
Upon receipt of the OEM performance complaint notification letter, the CB shall investigate the complaint in accordance with Section 8.0 of the Rules. At the conclusion of their investigation, the CB shall advise FCA Italy of their findings and any actions taken.
An OEM performance complaint may be filed in conjunction with, or independently of, a TPSL action.
The CB findings from an OEM complaint investigation may be used by FCA to establish the need to place an organization site in TPSL or New Business Hold.

Top Problem Supplier Location Reporting
Upon periodic review of IMQ quality measures and other key performance indicators, FCA may notify specific organization sites that they have been identified as a Top Problem Supplier Location (TPSL). The TPSL designation signals FCA dissatisfaction with the organization site's quality performance, and begins a process to develop and implement a performance improvement plan.
FCA shall notify the Certification Body of the organization site's involvement in the TPSL process by sending the CB a copy of the notification letter and follow-up communications (as required) that will:
- Identify the organization site;
- Summarize the process;
- Document specific areas of concern, with supporting data;
- Request a copy of the organization site's last audit.

NOTE:
As FCA Italy is an IATF member; a request for client audit reports is permitted under Section 3.1.e of the Rules.

Certification Body notification of TPSL activity is for information only and does not constitute an OEM performance complaint as described in Section 8.1 of the Rules. However, FCA reserves the right to file a performance complaint at any point within the TPSL process.
FCA shall notify the Certification Body when the organization site has achieved the agreed-upon exit criteria and is removed from the TSPL process.

Quality New Business Hold
Upon periodic review of IMQ quality measures and other key performance indicators, FCA may notify an organization that they have been placed in New Business Hold (NBH) status. This indicates that the organization site's quality performance is persistently below expectations and corrective action is required.

22.0 Analysis and Evaluation (IATF 16949 section 9.1.3)

The Organization's Board shall analyze the Customer satisfaction factors monthly;
The analysis shall at least include the following:
- Performance indicators available in SQP system (e.g. PIQ, PQ, CSL, …)
- Customer validated Action Plan monitoring, due to outcome of PPA and PDR.
- Poor quality cost monitoring (e.g. scraps, reworks, sorts, CSL2 and CSL3 due to internal failures, warranty, penalties, and recall campaigns for external failures).

Output of management reviews shall include detailed decisions and actions related to problems pointed out by Customer.

23.0 Manufacturing and Process Audit (IATF 16949 section 9.2.2.3)

Layered Process Audits
Organizations supplying production parts or components to FCA shall conduct Layered Process Audits (LPA) on all elements of manufacturing and assembly lines that produce production parts or components for FCA. These shall include both Process Control Audits (PCA) and Error Proofing Verification (EPV) audits.
Organizations shall provide evidence of compliance to the following requirements:
- Audit process shall involve multiple levels of site management, from line supervisor up to the highest level of senior management normally present at the organization site;
- A member of site senior management shall conduct process control audits at least once per week.
- All members of site senior management shall conduct process control audits on a regular basis.
- Delegation of this activity will not be accepted with the exception of extenuating circumstances.
- The organization shall have a documented audit structure with auditor level and frequency of inspection.
- PCAs shall be conducted at least once per shift for build techniques and craftsmanship related processes.
- EPV audits shall be conducted at least once per shift, preferably at the start of shift. Compliance charts shall be completed once per quarter and maintained for the life of the program.
  The following metrics shall be included:
  1. Audit completion by all auditing layers.
  2. By-item percentage conformance by area.
- Reaction plans shall be in place to immediately resolve all non-conformances.
- The organization shall show evidence of immediate corrective action, containment (as required), and root cause analysis (as required).
- A separate communication procedure is required to address reoccurring non-conformances. Specific areas of focus shall include the following:
  1. Resolution of non-conformances
  2. Escalation of issue for management review
  3. Lessons learned

Layered process audits are not required for specific materials, parts or assemblies produced on such an infrequent or irregular basis that it would prohibit establishing a regular, weekly audit schedule.
- Such infrequently or irregularly produced materials, parts or assemblies shall be subject, at a minimum, to a process audit at start-up and shutdown of each production run.
- Organizations shall evaluate and document the applicability of this exception for each material, part or assembly under consideration based upon the production schedule for all customers.
- The evaluation document shall be maintained as an organization-controlled record (7.5.3.2.1); reviewed annually and updated as required.

Organizations shall use the last available edition of CQI-8: Layered Process Audits Guideline, to establish a Layered Process Audit program.

23.1 Special Process Assessments

Organizations shall evaluate the effectiveness of each of the applicable special processes listed below with the associated AIAG manual:

- Heat Treating – CQI-9 Special Process: Heat Treat System Assessment, 3rd Edition
- Plating – CQI-11 Special Process: Plating System Assessment
- Coating – CQI-12 Special Process: Coating System Assessment
- Welding – CQI-15 Special Process: Welding System Assessment
- Soldering – CQI-17 Special Process: Soldering System Assessment
- Molding – CQI-23: Special Process: Molding System Assessment

Evaluation of implementation effectiveness shall be based on evidence that the organization has a process in place that includes elements such as:

- Auditors identified;
- Schedule for self-assessment in place (including evidence of schedule adherence);
- Monitoring of progress;
- Defined corrective action process;
- Organization-controlled record keeping (7.5.3.2.1);
- Supplier development process (8.4.2.5) identified for applicable suppliers to the organization.

Pursuant to IATF 16949 clause 8.4.3.1, this requirement shall also apply to suppliers to the organization who employ the above-listed special processes.
Organizations shall evaluate their manufacturing processes, and the manufacturing processes of their suppliers, to establish and document the scope of applicability of this requirement. This document is an organization-controlled record (7.5.3.2.1). Evaluation shall be by self-assessment. The self-assessment shall be conducted annually, but may be repeated as needed. The self-assessment may be conducted as part of the organization's internal quality audit or conducted separately.
Assessment by a competent second party auditor (7.2.4) will satisfy the self-assessment requirement for suppliers to the organization.
See also 3.2 – table in Section B

24.0 Management Review Outputs (IATF 16949 section 9.3.3.1)

Output from Customer-Specific Requirements to the following sections shall provide management review input:

- Design and development planning – Supplemental (8.3.2.1)
- Supplier quality management system development (8.4.2.3)
- Customer satisfaction – Supplemental (9.1.2.1), except as noted below
- Quality management system audit (9.2.2.2)
- Manufacturing process audit (9.2.2.3)

Output from Automotive Warranty Management (10.2.5) shall be included in the management review of actual and potential field-failures and their impact upon quality, safety or the environment.

25.0 Warranty Management Systems (IATF 16949 section 10.2.5)

Automotive Warranty Management (AWM)

Organizations providing production and non-exempt service parts and components to FCA shall support improvement in customer satisfaction through pursuit and achievement of warranty reduction targets established by FCA, where applicable.
Organizations shall use the last available edition of CQI-14: Automotive Warranty Management to integrate warranty into their quality management system.
Evaluation of integration effectiveness shall be based on evidence that the organization has a process in place that includes elements such as:

- Internal auditors identified;
- An established schedule for self-assessment (including evidence of schedule adherence);
- A defined continuous improvement process (including evidence of goal-setting and performance evaluation);
- A defined corrective action process (including evidence of actions taken and verification of effectiveness);
- Organization-controlled record keeping (7.5.3.2.1);
- Progress monitoring (including monthly evaluation of organization's performance to warranty reduction targets established by FCA);
- A supplier development process (8.4.2.5) identified for applicable suppliers to the organization.

NOTE:
When organizations manage warranty at a corporate level, individual organization sites requiring evidence of compliance to this requirement may reference CQI-14 compliant corporate processes as they pertain to the products and processes at their sites.
Evaluation shall be by self-assessment. The self-assessment shall be conducted annually, but may be repeated as needed. The self-assessment may be conducted as part of the organization's internal quality audit or conducted separately. The self-assessment shall be conducted using the self-assessment spreadsheet tool from CQI-14. The completed spreadsheet shall serve as a record of the self-assessment.
Implementation of Automotive Warranty Management shall proceed in three stages:

1. Organization identifies and implements necessary changes to quality management system processes, trains responsible personnel and conducts initial, “baseline” self-assessment.
2. Organization establishes internal performance goals, develops prioritized corrective action plan to achieve these goals and prepares an assessment schedule.
3. Organization monitors performance, continues with self-assessments and updates corrective action plan as required to meet FCA requirements and internal improvement goals or maintain goal-level performance.

Implementation timing for organizations (either new suppliers or current suppliers to FCA) is summarized in the following table:

Organization’s relationship to FCA	Existing Vehicle Program	New Vehicle Program
New Supplier	Complete implementation through Stage 2 within six months of award of business. Implementation through Stage 3 to follow within one year of start of production.	Complete implementation through Stage 2 before Commercial Launch. Implementation through Stage 3 to follow within six months of Commercial Launch.
Current Supplier	Full implementation through Stage 3 required.	Follow timing for “New Supplier/New Vehicle Program” (above) for new parts or components.

AWM Exceptions:
The following temporary exception apply to organizations that would otherwise be required to implement AWM:
Emergency Assumption of Business – Organizations who assume production of parts or components at FCA’s request under emergency conditions are exempt from AWM requirements for six months for these parts or components. The “New Supplier/Existing Program” requirements (above) shall apply thereafter.
AWM Exemptions:
Organizations that have been identified by FCA Group Purchasing and Supplier Quality management as exempt from ISO/TS 16949 or IATF 16949 registration are also exempt from FCA AWM requirements.
Implementation is not required of organizations producing parts or components in commodity groups with historically-low warranty levels.

26.0 Customer Complaints and Field Failure Test Analysis (IATF 16949 section 10.2.6)

Returned Parts Analysis:
Organizations that provide production or non-exempt service parts or components shall participate in the review, testing and analysis of returned components and shall include analysis of the interaction of embedded software, if applicable.
Technical Support:
Organizations that provide production and non-exempt service parts and components shall provide all necessary support to FCA in the investigation and resolution of supplier-associated warranty issues.
The analysis and support above mentioned can be carried on through Tutorship and Field Management programs.
See also 3.2 – table in Section B

3.2 Section B- Connection between FCA Italy S.p.A. Customer-Specifics and IATF 16949

IATF 16949:2016	DESCRIPTION	CUSTOMER-SPECIFICS
4.4.1.1 7.1.3.1	Basic Requirements Check-List	FGP01, Annex 6, SQ Sourcing Package
7.5.3.2.1	Records Retention	9.01102
8.1	Planning of Product Realization	FGP 13
8.1	Change Control	08090 07740 FPW.IFP059 (CSR Powertrain)
8.1.1 8.3.2	Planning of Product Realization – Supplemental	FGP 13
8.1.2	Confidentiality	9.01100 9.01102 FGP 23, Attachment 03 (Confidentiality Agreement)
8.2.2	Determination of Requirements related to the Product	9.01102 FGP 01, Attachment 06 Request For Quotation (RFQ) and SQ Sourcing Package
8.2.3.1.1	Review of the requirements for products and services – supplemental (Customer Waiver)	08090 FPW.IFP059 (CSR Powertrain)
8.2.3.1.2 8.3.3.3	Special Characteristics	9.01102 9.01102/10 9.01120 FGP 13 FPW.IFP053 (CSR Powertrain)
8.3.4.3	Prototype Programme	9.01103 FGP 13
8.3.4.4	Product Approval Process	07740 FPW.IFP059 (CSR Powertrain) FGP 13
8.4.1.3	Customer-directed sources (also known as "Directed–Buy")	9.01100 FGP 01, Attachment 06 Request For Quotation (RFQ) and SQ Sourcing Package
8.5.1.1	Control Plan	9.01102 07171 FGP 13
8.5.5.1	Feedback of Information from Service	08018 71086 FPW.IFP012 (CSR Powertrain) Supply Quality Performance (SQP)

History of Revision

No.	Cause of modification	Date	Modifier	Approved
1	First issue	16.10.2017	Judith Robertson	Steffen Dehner
2				
3				
4				
5				