



## ***Supplier Handbook***

**For use with current editions of**

**ISO 14001:2015**

**IATF 16949: 2016 & ISO 9001:2015**

### **Amendment Record**

<b>Date of Revision</b>	<b>Rev. #</b>	<b>Section #</b>	<b>Details of Change</b>
31-12-2023	00		Initial revision
03-03-2025	01	All  1 Quality System Registration  C – IMDS / PFAS / REACH / CLP / Conflict and Extended Minerals/ROHS  Corporate Social Responsibility  2 – Environmental Responsibility  6 – Carbon Border Adjustment Mechanism (CBAM)	Supplier Handbook extended to GLN Plast  Additional clarification regarding Product Safety Representative  IMDS, Conflict and Extended Minerals: Requirement's clarification PFAS, SVHC, ROHS: new requirement added  Added the acceptance and subscribing of Grupo Manuel Champalimaud Supplier's Manual of Conduct  Requirement's clarification; Added GHG Emissions monitorization and reduction in value chain  New requirement added



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Dear Supplier,

Enclosed is the current release of GLN Advanced Solutions and GLN Plast Supplier Handbook.

The Suppliers to GLN Advanced Solutions and GLN Plast facilities are required to be third party registered to current edition of IATF 16949, whenever eligible to IATF 16949 certification, or at a minimum of ISO 9001:2015 and ISO 14001:2015 in accordance with customer specific requirements unless otherwise directed by our GLN Advanced Solutions and GLN Plast Purchasing team.

All sub-tier suppliers to GLN Advanced Solutions and GLN Plast (for any final customer) not IATF certified, must be, as a minimum, ISO 9001:2015 certified. If not, GLN Advanced Solutions and GLN Plast must have written authorization (as deviation) from GLN Advanced Solutions and GLN Plast Purchasing/Supplier Quality final customer.

The revised manual also addresses specifics for GLN Advanced Solutions and GLN Plast and as such, compliance to all is required. GLN Advanced Solutions and GLN Plast requires their suppliers to recognize the customer specific requirements as they apply of our customers that include but not limited to the following: Ford, General Motors, FCA, Audi, Volkswagen, Toyota, Peugeot, Renault and Nissan.

It is the supplier's responsibility to ensure they are working with the most recent revision of the Supplier Handbook. Verification can be obtained by contacting your GLN Advanced Solutions and GLN Plast Buyer or Supplier Quality Leader representative should you require additional clarification.



## **QUALITY MANAGEMENT SYSTEM**

### **1. Quality System Registration**

This manual contains and defines the procedures and requirements that involve our suppliers and sub-suppliers. All suppliers must meet the Quality System Requirements; including any applicable customer-specific requirements as documented in this manual (see Required References below and Suppliers of Special Processes).

This manual applies to all suppliers (externally provided processes, products and services) that do business with GLN Advanced Solutions and GLN Plast. This manual does not alter or reduce any other contractual requirements covered by purchasing documents or requirements of engineering drawings or specifications. This manual describes the minimum requirements expected and it is applicable to all (production, non-production) material, capital, and service suppliers whether the products and/or services are provided directly or indirectly through sub-suppliers.

Potential Suppliers who currently are not registered to a Quality standard; such as, small job shops, may be scheduled for a 2nd party audit to assess compliance to the required standard. Suppliers who do not meet these criteria are required, or as otherwise directed by the GLN Advanced Solutions and GLN Plast Purchasing team, to begin the registration process to IATF 16949 current version immediately (refer to 1st paragraph above). The Supplier must provide to the GLN's Supplier Quality Leader with an action plan, for review and approval. The approved action plan must reflect detailed timing of the registration process.

Where certification to Federal Regulations are applicable, the supplier is required to certify compliance of the product with such standards prior to initial production shipments and as required thereafter. The written certification, with supporting test data, shall be directed to the Quality Assurance Department Quality Manager, at the appropriate GLN Advanced Solutions and GLN Plast facility, and is in addition to original compliance documentation.

Suppliers are responsible for ensuring that all materials and processes used in sale and manufacturing of products to GLN Advanced Solutions and GLN Plast are in compliance with all Federal, State & Local requirements regarding environmental, toxic and hazardous waste, mechanical, electrical and electro-magnetic devices. This applies in the country of manufacture and sale.

A Product Safety Representative (PSR) must be available at all production sites that produce for GLN Advanced Solutions and GLN Plast. Product safety representatives must be familiar with product manufacturing, methods for risk assessment and the relevant rules for product safety and reliability. PSR are members of the supplier management team or report directly to this team or to senior quality management and have the authority to direct activities in all areas to ensure product safety, e.g. head of quality.



GLN Advanced Solutions and GLN Plast shall pass down all applicable statutory and regulatory requirements and special product and process characteristics to their suppliers and require the suppliers to cascade all applicable requirements down the supply chain to the point of manufacture, namely the nomination of the Product Safety Representative. GLN Advanced Solutions and/or GLN Plast do not require to report the Product Safety Representative but reserve the right to ask for the nominations during audits and other visits.

GLN Advanced Solutions and GLN Plast acknowledge the Volkswagen Product Safety Representative (PSB) requirement as appropriate industry standard defining the knowledge, tasks and competencies of a Product Safety Representative.

Specific training for such function has been developed by OEM and is offered by VDA and other qualified organizations. The nominated person shall pass such training to obtain necessary competencies about managing product safety in their organization, unless the supplier has proof that none of the supplied components are used in GLN (Advanced Solutions or Plast) for Volkswagen or BMW group.

Suppliers are required to upload all pertinent information relating to the material used in their product per IMDS, Reach, ROHS, Conflict and Extended Minerals and PFAS Regulations into the MDS website ([www.mdsystem.com](http://www.mdsystem.com)) at least 30 days prior to PPAP (reference PPAP section).

## 2. **Required References**

Suppliers are responsible for obtaining and maintaining copies of the latest revised/current versions of all associated and referenced publications in consideration to the receiving OEM, (copies of some applicable publications can be obtained from the Automotive Industry Action Group) such as;

- Advanced Product Quality Planning (APQP)
- Statistical Process Control (SPC),
- Measurement System Analysis (MSA),
- Failure Mode and Effects Analysis (FMEA),
- Product Part Approval Process (PPAP),
- IATF 16949 and/or ISO 9001 and ISO 14001 (current version)
- Customer-specific Requirements (available through the IATF website)
- Sanctioned Interpretations (available through the IATF website)
- CQI-Special Process Assessments; i.e., Plating, Coating, Welding, Heat-Treat, etc. (see Suppliers of Special Assessments)

At times, GLN Advanced Solutions and GLN Plast facilities may reference industrial or international references that are required. These could be specifications, procedures, test methods, etc. that may have to be purchased by the supplier from third party document



sources.

Additionally, all of our suppliers are required to obtain and adhere to customer specific requirements and assessment criteria via onsite or self-monitoring as defined in the scope of work. These can include: BIQS, QMS, PPA, CQI, VDA 6.3, FIEV 2.0... and any identified special process audits provided by the customer.

### **3. Request for Quotation**

Prior to award of any business, the supplier will be expected to complete the GLN Advanced Solutions and GLN Plast RFQ with complete detailed cost breakdown. Should a discrepancy between the supplier's layout and our layout occur, then GLN Advanced Solutions and GLN Plast layout is to be followed.

### **4. New potential supplier assessment**

A new potential supplier assessment should be completed under consideration for award of business. All potential Suppliers must complete the initial assessment and return to the Supplier Quality Leader. Subsequent assessment may be conducted at GLN Advanced Solutions and GLN Plast' discretion. GLN Advanced Solutions and GLN Plast will assess the risk level of each supplier for each part being supplied.

### **5. Transportation**

The logistics specifications related to the delivery of the References to the Client are detailed in the Contract Review, as well as in the logistics protocol sent by the Client's at the consultation of each Reference.

Client's requirement is to support the creation of a new logistics flow with the drafting of a memorandum describing the organization and logistics parameters established. The protocol is the summary of logistics information (physical and information systems) necessary for the proper operation of the supply flows.

Any change of flow must be preceded by a modified logistics protocol to be able to give an accurate picture of flows at any time.

### **6. Production Part Approval Process (PPAP) Requirements**

#### **A. Submission Criteria**

GLN Advanced Solutions and GLN Plast requires a full PPAP submission unless otherwise detailed in the Purchase Order or specified and defined by the OEM. Level 3 is the default level for all PPAPs; however, the receiving GLN Advanced Solutions and GLN Plast Project team and/or plant may require at its discretion a level 4 or 5 based upon priority, risks, or



new supplier. Any deviation to the Level 3 default will be provided to the supplier in writing in the RFQ (request for quotation).

PPAPs must conform to the latest final customer specific requirements. If the supplier is unaware of the final customer or the customer specific requirements, it is the responsibility of the supplier to contact the receiving GLN Advanced Solutions and GLN Plast project team and/or plant for clarification. Ideally this must be discussed during the contract review.

AIAG provides a host of manuals including PPAP, FMEA, Control Plans, MSA, etc. that may be used as reference for PPAP submissions. Customer Specific Requirements take precedent over AIAG requirements. It will be the responsibility of the Supplier to ensure that the PPAP reflects the latest revision level of the controlled drawing used by GLN Advanced Solutions and GLN Plast.

GLN Advanced Solutions and GLN Plast shall pass down all applicable statutory and regulatory requirements and special product and process characteristics to our suppliers and require the suppliers to cascade all applicable requirements down the supply chain to the point of manufacture.

It is the responsibility of the Supplier to adhere to and incorporate into their systems any special characteristics, appearance items, pass through characteristics, statutory, regulatory or critical and/or safety (inverted delta) items:

- a) Documentation of all special characteristics in the drawings (as required), risk analysis (such as FMEA), control plans, and standard work/operator instructions: special characteristics are identified with specific markings and are cascaded through each of these documents;
- b) development of control and monitoring strategies for special characteristics of products and production processes;
- c) customer-specified approvals, when required;
- d) compliance with customer-specified definitions and symbols or the organization's equivalent symbols or notations, as defined in a symbol conversion table. The symbol conversion table shall be submitted to the customer, if required.

The Supplier is responsible for providing resources and managing its sub-suppliers to ensure that appearance parts are provided to GLN Advanced Solutions and GLN Plast for approval by their customers in a timely manner. This applies to AAR (Appearance Approval Report) submissions for initial PPAP approval, and any further AAR submissions required by GLN Advanced Solutions and GLN Plast and its customers.

GLN Advanced Solutions and GLN Plast requires early notification and consent from all suppliers prior to any process, product or material changes. Furthermore, the supplier shall ensure all sub-tier suppliers adhere to the same requirement resulting in full notification and approval from GLN Advanced Solutions and GLN Plast and first sub tier supplier.





It is the supplier's responsibility to notify GLN Advanced Solutions and GLN Plast and submit for part approval prior to the first production shipment. This applies to all situations identified in Table 3.1 and Table 3.2 of the AIAG PPAP Manual, 4th Edition. In some cases, GLN Advanced Solutions and GLN Plast may waive this requirement; when this happens, the supplier must review all items in the PPAP and update them as necessary to reflect the current process.

Suppliers are expected to submit PPAP packages, in their entirety, to the appropriate project team and/or plant Quality Manager or designate before the agreed-upon date unless otherwise detailed in the Purchase Order or specified and defined by the OEM. Submitted PPAPs missing this information may result in rejecting PPAP. GLN Advanced Solutions and GLN Plast will review the submission and give one of three statuses:

1. Full approval indicates that the part or material meets all specifications and requirements. The supplier is authorized to ship product. Unless otherwise agreed on, supplier can only invoice for tooling when they achieve full PPAP approval.
2. Interim approval permits shipment of production for production requirements on a limited time or piece quantity basis. The supplier must submit, at the time of PPAP, an action plan to address the issues preventing the PPAP from obtaining full approval.
3. Rejected means, that the submission, does not meet the specifications and requirements. GLN Advanced Solutions and GLN Plast will state the reasons the submission was rejected on the PPAP warrant and return the warrant to the supplier. A corrected PPAP must be submit and approved before the supplier can ship product.

Tier-3 suppliers are responsible for the PPAP submission and approval of subsequent tier suppliers. At a minimum sub-tier suppliers shall meet the same PPAP requirements as the first tier supplier to GLN Advanced Solutions and GLN Plast. For initial PPAP, Tier-3 suppliers shall conduct an on-site Process Audit (or equivalent) at the Tier-4 that includes, but not limited to Control Plan compliance. The Tier-3 shall inform GLN Advanced Solutions and GLN Plast of any non-conformance found during this audit. If the GLN Advanced Solutions and GLN Plast receiving plant supplier metrics indicate poor performance, the Tier-3 suppliers shall continue to conduct on-site Process Audits at the sub-tier. All submitted parts for PPAP shall be clearly identified and marked per respective reports and documentation. All gauges owned by GLN Advanced Solutions and GLN Plast must be built in accordance to GLN Advanced Solutions and GLN Plast Checking Fixture Standard.

All submissions, except annual revalidations, must include IMDS number prior to shipping parts per PPAP Requirements.

All test results must be conducted by an accredited test facility. An internal laboratory facility shall have a defined scope that includes its capability to perform the required inspection, test or calibration services. This laboratory scope shall be included in the quality management system documentation. The laboratory shall meet the requirements as stated in 7.1.5.3.1 of the IATF standard.



External/commercial/independent laboratory facilities used for inspection, test or calibration services shall have a defined laboratory scope that includes the capability to perform the required inspection, test or calibration, and either accredited to ISO/IEC 17025 or national equivalent or approval designated by the customer. The laboratory shall meet the requirements as stated in 7.1.5.3.2 of the IATF standard.

#### 1. Annual Part Verification/Validation

The Product Audit must be defined on the Product Control plan. Product Audit shall take place at least every 12 months for each product manufactured as a Series Production part.

Supplier's to provide a Level 3 submission minimum for all GLN Advanced Solutions and GLN Plast released parts or components as detailed in Part's RFQ/contract requirements (per the program being supported). In addition to this PPAP, suppliers are responsible for submitting documentation as listed below (as applicable to service or product being provided):

- IATF 16949, ISO 9001 and/or ISO 14001 or required Certificates (i.e. ISO 17025)
- CQI Special Assessments including Tier Suppliers supporting GLN Advanced Solutions and GLN Plast Programs
- Self Assessment (Supplier Quality Assessment form)
- GLN Advanced Solutions and GLN Plast -specific Forms as indicated during the initial PPAP

For suppliers that fail to comply with annual validation, a corrective action will be issued and the supplier will have five days for submitting and closing the corrective action. An administrative fee will be assessed should the supplier fail to submit the completed corrective action within five days.

#### 2. Material Certifications

A completed Certificate of Analysis (CoA), which includes the engineering specification number, must be provided prior to the shipment for each lot. It must be send to the e-mail box which address is:

[pt-suppliers@gln-as.com](mailto:pt-suppliers@gln-as.com) in the case of GLN Advanced Solutions (both Leiria and Vendas Novas plants)

[plast.suppliers@gln.pt](mailto:plast.suppliers@gln.pt) in the case of GLN Plast

In the RFQ (Request for Quotation) it will be identified the concerned GLN plant and e-mail box address.

The CoA must contain the actual physical or testing measurements per the specified OEM customer engineering specification for the key parameters as detailed on the contract or amendments to the contract. SPC data, when required must be provided with each shipment. A copy of the actual physical or testing measurements detailed in the OEM



specification must be maintained on file at the production location and available upon request. Reference examples:

A. RESIN

- Customer Specification materials was tested
- Min/Max Specifications and Values
- Lot/ Batch Number for Traceability
- Estimated Quantity Shipped
- Melt Flow Rate
- Ash Content
- Density
- Flexural Modulus
- Notched Izod Impact
- Others, as applicable

B METALS

- Material Spec
- Material Description (dimensions, tolerance and unit of measure)
- Heat Number
- Mechanical Properties (if applicable)
- Chemistry
- Coating Weight per side (if applicable)

C PAINT AND ADDITIVES

- Lot/Batch Number for Traceability
- Production Date
- Expiry Date
- Gloss
- Colour
- Density
- Viscosity
- Solid Content

For suppliers of components, a certificate must be maintained on file at the production location and available upon request.

## **B. Qualification of Personnel**

The supplier's system shall provide for the qualification of personnel performing critical inspection and production operations. Operator training records are to be made available upon request by GLN Advanced Solutions and GLN Plast representatives.



### **C. IMDS/PFAS/REACH/CLP REGULATION/SUBSTANCES OF VERY HIGH CONCERN (SVHC)/ Conflict Minerals and Extended Minerals/ROHS**

#### **IMDS:**

The European Directive “REACH Guideline” came into force for used cars that prohibit the use of heavy metals. To be able to ensure compliance with this EC directive in the future, it is vital that all the reports on first samples include confirmation that the components delivered to GLN Advanced Solutions and GLN Plast comply with the latest IMDS / Reach requirements. Suppliers must register with IMDS (International Material Data System) on [www.mdsystem.com](http://www.mdsystem.com). Refer to IMDS website for training material.

The Supplier is responsible for obtaining an IMDS-module reference number for each part number supplied to GLN Advanced Solutions and GLN Plast. The IMDS reference number must be included with the PPAP submission on the PPAP form and the Warrant.

A supplier PPAP package will not be approved without this reference number being included in the submission. The IMDS-module of this purchased component must also have been submitted and approved by the appropriate GLN Advanced Solutions and GLN Plast facility.

Declarable substances in a Supplier’s product must be reported in a declaration statement. Action plan to remove these prohibited substances must be submitted. Review the Analysis-Tab for “Declared / Prohibited” (D/P) substances. Please reference IMDS system for document instructions on D/P substances.

If the supplier tree structure has a joker/wildcard that is being used for a confidential substance, the supplier will need to review the MDS when a list like GADSL changes to make sure that the IMDS rules are still met. Moreover, revisions of MDS are required whenever there’s a change in the part or in the material and/or if the MDS is older than 10 years. In this last case, the system will show an error when MDS is checked and then it can no longer be designed or published. Instead, a new updated version must be created. This will help to ensure that all data is up to date and accurate and will improve the efficiency of data management processes.

For the identification of the GLN plant’s IMDS ID number please refer to the RFQ (Request for Quotation).

#### **PFAS:**

Due to the proposed future restriction of PFAS within the EU (expected due date: 2027-2030) and the future ban in some states in the USA (2030-2032), GLN Advanced Solutions and GLN Plast expects all PFAS to be declared in the IMDS submissions no matter what the amount present in the material and the threshold defined in the GADSL. This request impacts not only the new IMDS submissions but all the ones submitted previously since those substances may have been hidden in older declarations.



## REACH / CLP REGULATION / SUBSTANCES OF VERY HIGH CONCERN (SVHC)/ROHS

The REACH requires all companies manufacturing or placing a substance on the EU market in quantities greater than one ton per year (1t/y) to register that substance with the European Chemicals Agency (ECHA). For legal reasons, only companies with a legal entity in Europe are allowed to submit a registration under REACH.

Potential manufacturers and importers of substances must submit an inquiry to ECHA and register the substance before they can manufacture or import the substance.

The suppliers must meet the Regulation (EC) No 1272/2008, CLP, which concerns the classification, labelling and packaging of chemical substances and mixtures which are released on the EU market.

Moreover, according to the REACH Regulation (EC No 1907/2006) it is supplier's responsibility to guarantee that supplied products don't contain any substances listed as Substances of Very High Concern (SVHC). Thus it is supplier's responsibility to track the substances included in the Restriction Proposal List to make sure that an alternative solution is provided in due time either by replacing the substance or by decreasing the amount of such substance into the acceptable threshold level. Communication to GLN Advanced Solutions and GLN Plast must be guaranteed both regarding the presence of SVHC exceeding the threshold (0,1% w/w) and of the mitigation actions.

The SVHC list is regularly up-dated by ECHA (European Chemicals Agency). It is supplier's responsibility to continuously monitor such list and revise the supplied products to guarantee conformity whenever a new substance is included in the SVHC list.

The supplier must provide a declaration of conformity to Reach legislation confirming that none of the supplied products contain SVHC above the acceptable threshold level. Such declaration needs to be up-dated whenever there are changes in the regulated substances' list or in the composition of the supplied products.

The RoHS Directive aims to prevent the risks posed to human health and the environment related to the management of electronic and electrical waste.

It does this by restricting the use of certain hazardous substances in EEE (electrical and electronic equipments) that can be substituted by safer alternatives. These restricted substances include heavy metals, flame retardants or plasticizers. Please refer to Delegated Directives amending RoHS Annexes (Commission Delegated Directive (EU) 2015/863 of 31 March 2015; Exemption 48 IV - Commission Delegated Directive (EU) 2022/1631; Exemption 27 IV - Commission Delegated Directive (EU) 2022/1632).

The supplier must provide a declaration of conformity to ROHS legislation confirming that none of the supplied products contain restricted substances above the acceptable threshold level. Such declaration needs to be up-dated whenever there are changes in the regulated substances' list or in the composition of the supplied products.

## CONFLICT MINERALS AND EXTENDED MINERALS:

On August 22, 2012, the U.S. Securities and Exchange Commission ("SEC") adopted final rules to implement annual reporting and disclosure requirements related to "conflict minerals". These minerals are often sourced from regions associated with human rights abuses, armed conflicts and unethical practices. Being so, they have no place in our supply chain reason why customers of GLN Advanced Solutions and GLN Plast require information regarding the use of conflict minerals from



their global suppliers and in turn we must solicit this information from our suppliers. This initiative must then continue on down the supply chain.

Unlike the U.S., the EU Conflict Minerals Regulation begins the regulatory process when 3TG enters the EU to eliminate the significant work involved in tracing up the supply chain. Since Conflict Minerals aren't just about legislation but also about Customer Specific Requirements, to comply with these customer requirements, GLN Advanced Solutions and GLN Plast must impose new reporting requirements for the use of conflict minerals on our global supply chain. This reporting is an annual requirement for all our suppliers and may be downloaded from:

<https://www.responsiblemineralsinitiative.org/reporting-templates/cmrt/>

In addition, on October 20, 2021, a new template associated with the use of Cobalt and Mica was launched. The Extended Minerals Reporting Template again intends to prioritize responsible sourcing practices. We expect our suppliers to adhere to strict ethical guidelines in the extraction and processing of these extended minerals although there are no regulatory compliance requirements in place for cobalt or mica at this time. But since many customers integrated Extended Minerals reporting requirements in their Customer Specific Requirements, GLN Advanced Solutions and GLN Plast must impose new reporting requirements for the use of Extended Minerals on our global supply chain.

This reporting is an annual requirement for all our suppliers and may be downloaded from:

<https://www.responsiblemineralsinitiative.org/reporting-templates/emrt/>

On both the Conflict Minerals and Extended Minerals, the supplier is responsible to make sure that smelters and/or refiners are RMAP (Responsible Minerals Assurance Process) conformant. If some non-conformant smelters/refiners are identified, the supplier must define and implement an action plan which goal is either to replace the non-conformant smelter/refiner or achieve conformance.

#### **D. Suppliers of Special Processes**

GLN Advanced Solutions and GLN Plast suppliers that provide special processing that fall under the directives identified in the AIAG CQI Assessments (at all tier levels) to the latest edition (available from AIAG) are required to complete and submit the self-assessment to GLN Advanced Solutions and GLN Plast. The assessment shall be performed annually on the anniversary date.

*Note: Additional assessments may be required per customer-specific requirement or if the key supplier performance indicators of the GLN Advanced Solutions or GLN Plast plant indicate a risk level warranting a change in frequency or type. This may include additional testing from an approved third party laboratory. Suppliers are required to maintain onsite records of compliance for a period of time at a minimum per the OEM customer- specified requirement and with concurrence of the GLN Advanced Solutions and GLN Plast receiving plant.*

#### **E. Suppliers of Product-Related or Embedded Software**

GLN Advanced Solutions and GLN Plast suppliers of products-related or embedded software are required to implement and maintain a process for software quality assurance for their products.

A software development assessment methodology shall be utilized to assess the supplier's software development process. Using prioritization based on risk and potential impact to the



customer, the organization shall require the supplier to retain documented information of a software development capability self-assessment.

See Warranty Management section for additional expectations.

## 7. **Tooling**

The supplier is expected to maintain GLN Advanced Solutions and GLN Plast owned and customer-owned assets located at the supplier's facility. It is the supplier's responsibility to track and identify GLN Advanced Solutions and GLN Plast tooling in their facility, and the supplier must tag the tooling "property of GLN Advanced Solutions" or "property of GLN Plast". These assets are to be used solely for the production of GLN Advanced Solutions and GLN Plast products. When there is no future need for these assets, the supplier must request direction for disposition. A bailment receipt and tooling information (as per plant request) shall be returned to the plant designated purchasing's contact. Failure to do so may result in delay of payment of final tooling invoice.

Control of GLN Advanced Solutions and GLN Plast Owned / Supplied Equipment and Tooling – GLN Advanced Solutions and GLN Plast owned/ supplied equipment and tooling includes gauges, test equipment and tooling supplied by GLN Advanced Solutions and GLN Plast for use in production or maintenance or made by the Supplier and paid for by GLN Advanced Solutions and GLN Plast supplier shall:

Use GLN Advanced Solutions and GLN Plast Supplied Gauges, Special Test Equipment, and Special Tooling on GLN Advanced Solutions and GLN Plast purchase orders only and for only those purchase orders for which the items were supplied.

Identify all tools and test equipment, unless size or use prohibits, with identification tag(s) ensuring legibility and permanency, which states the ownership designation as "Property of GLN Advanced Solutions" or "property of GLN Plast" upon receipt or fabrication.

Obtain written approval from GLN Advanced Solutions and GLN Plast prior to making modifications or changes to gauges, test equipment or tooling.

Maintain, protect and preserve tooling, test equipment, and gauges. Tooling and gauging shall be maintained for three years after the GLN Advanced Solutions and GLN Plast purchase order is complete unless GLN Advanced Solutions or GLN Plast directs otherwise.

Contact the GLN Advanced Solutions or GLN Plast Buyer before the transfer of gauges, test equipment or tooling among supplier facilities (address location) or to other suppliers.

Supplied gauges, test equipment or tooling that become excess to the needs of the purchase order shall be reported to GLN Advanced Solutions or GLN Plast.

Obtain written approval from GLN Advanced Solutions or GLN Plast before the disposal or destruction of GLN Advanced Solutions and GLN Plast supplied gauges, test equipment or tooling.

Report all cases of loss, damage or destruction of GLN Advanced Solutions and GLN Plast' property in possession or control or property located at Supplier's sub-suppliers to the GLN Advanced Solutions and GLN Plast Buyer within 72 hours as such facts become known.

Maintain a record (Tool List) of all GLN Advanced Solutions and GLN Plast supplied gauges, test equipment or tooling. The list shall be traceable back to the GLN Advanced Solutions and GLN Plast tooling purchase order and job number.

Use GLN Advanced Solutions and GLN Plast supplied and approved tools and equipment that includes obtaining as applicable: master plaques, PPAP samples, AAR Samples and boundary samples.



As applicable the supplier is responsible for obtaining and ensuring master plaques and samples used in production validation are current and maintained.

Obtain written approval from GLN Advanced Solutions and GLN Plast when deviating from the use of approved PPAP samples, AAR samples, Master plaques or Boundary samples.

Obtain approval from GLN Advanced Solutions and GLN Plast when disposing of or removing PPAP samples, AAR samples, Master Plaques or Boundary samples.

## **8. Containment / Non Conforming Material**

The supplier must have a system implemented to ensure that “nonconforming” items are identified and quarantined to prevent introduction into production shipments.

Should the supplier detect that products do not meet what is defined in the Purchase Order, Drawings, GLN Advanced Solutions and GLN Plast and customer supplied requirements and/or applicable standards and specifications, the supplier should immediately inform the Purchasing and Quality Departments of GLN Advanced Solutions and GLN Plast impacted plants.

GLN Advanced Solutions and GLN Plast Suppliers shall obtain a customer concession or deviation permit prior to further processing whenever the product or manufacturing process is different from that which is currently approved.

GLN Advanced Solutions and GLN Plast Suppliers shall obtain customer authorization prior to further processing for “use as is” and rework dispositions of nonconforming product. If sub-components are reused in the manufacturing process, that sub-component reuse shall be clearly communicated to GLN Advanced Solutions and GLN Plast in the concession or deviation permit.

GLN Advanced Solutions and GLN Plast Suppliers shall maintain a record of the expiration date or quantity of authorized under concession. The supplier shall also ensure compliance with the original or superseding specifications and requirements with the authorization expires. Product shipped under concession shall be properly identified on each container/box. GLN Advanced Solutions and GLN Plast will review and approve/reject any requests from suppliers before submission to the customer.

GLN Advanced Solutions and GLN Plast Suppliers shall utilize risk analysis (such as FMEA) methodology to assess risks in the rework process prior to a decision to rework the product. If required by the customer, the supplier shall obtain approval from the customer prior to commencing rework of the product.

GLN Advanced Solutions and GLN Plast Suppliers shall have a documented process for rework confirmation in accordance with the control plan or other relevant documented information to verify compliance to original specifications.

Instructions for disassembly or rework, including re-inspection and traceability requirements, shall be accessible to and utilized by the appropriate personnel.

The organization shall retain documented information on the disposition of reworked product including quantity, disposition date, and applicable traceability information.





Where non-conforming material has been shipped to a GLN Advanced Solutions and GLN Plast facility, a Supplier Quality Complaint will be issued and the supplier must submit a corrective action indicating their Containment Plan within **24 hours** of receiving a corrective action request. The Containment Plan must include material in transit. The Containment Plan will be reviewed and agreed to by GLN Advanced Solutions and GLN Plast.

#### A. Corrective Action Requests (CAR)

Suppliers receiving a nonconformance will be responsible for submitting Corrective Action as follows: If non-conforming material received by GLN Advanced Solutions or GLN Plast from the supplier causes a major disruption (downtime) to production lines, and/or an issue at GLN Advanced Solutions and GLN Plast' Customer, the supplier shall respond *within 24 hours* with a containment plan and submit an approved corrective action plan (i.e., 8D, 7-step, 5 phase, etc) *within 10 days*. Any deviation from this requirement must be agreed to by the GLN Advanced Solutions or the GLN Plast Quality Department. All corrective actions must be implemented and verified within 30 days. An extension of up to 90 days may be granted with written approval from the issuing plant.

1. Upon receiving a Corrective Action Request from GLN Advanced Solutions or GLN Plast, Suppliers are required to immediately sort 100% of their product; including product at the GLN Advanced Solutions and GLN Plast plant(s), in transit, in warehouses, at the Supplier's production facility, etc., and to ensure that GLN Advanced Solutions and GLN Plast' assembly plants are supplied with enough certified stock to assure no disruptions to production. Material must be labeled as certified for the specific defect or defects for the next three shipments unless otherwise directed by GLN Advanced Solutions and GLN Plast.

Depending on the continuity of supply situation, the following may occur:

- High inventory at GLN Advanced Solutions and GLN Plast: Supplier may choose to have product returned or Supplier may sort at GLN Advanced Solutions and GLN Plast.
- Low inventory at GLN Advanced Solutions and GLN Plast: Supplier required on-site at GLN Advanced Solutions and GLN Plast to sort for defective product.
- Extremely urgent (possible line down): GLN Advanced Solutions and GLN Plast will take the appropriate action and the Supplier will be responsible for all costs incurred.

**NOTE:** GLN Advanced Solutions and GLN Plast' production facilities may not allow sorting of purchased material to take place on-site. Suppliers must make arrangements for transporting non-conforming material from GLN Advanced Solutions and GLN Plast, sorting the material, re-packaging, creating new packing slips with accurate quantities, affixing new bar code labels as needed, and arranging transportation of certified stock back to GLN Advanced Solutions and GLN Plast.

Disposition shall be provided for non-conforming material in the following manner:

- Use as is (with documented approval): material used, quantities not counted against PPM total.
- Sort / Rework: supplier will be charged a standard sort / rework fee; defective pieces found will be counted against PPM total.



- *Scrap: Removal of non-conforming material will be the responsibility of the supplier. For Non-conforming material remaining over 48 hours will be scrapped and any related scrap fees will be charged back to the supplier.*
- 2. Supplier is responsible for reporting accurate sorting results and to request adjusted effective quantities when appropriate. This can have an impact on the Supplier's PPM calculation.
- 3. Suppliers are responsible for managing the use of outside sources for sorting and must make all arrangements to ship parts between GLN Advanced Solutions or GLN Plast and outside source. GLN Advanced Solutions and GLN Plast will contact the Supplier for authorization to return the material at Supplier's expense (for example Return Material Authorization).
- 4. Defective parts returned to the Supplier, reworked and returned to GLN Advanced Solutions and GLN Plast may still be counted toward the Supplier PPM. Reworked parts must meet specifications. The repairing of parts is not permissible without prior written authorization from GLN Advanced Solutions and GLN Plast.
- 5. Evidence of the defect; such as, digital photos will be provided when possible. A sample of the defect may be sent to the Supplier upon request. GLN Advanced Solutions and GLN Plast and its Customers reserve the right to verify product conformance to the requirements at the Supplier's and their subcontractor's plants.
- 6. Verification of the implemented corrective action on-site at the Supplier may be accomplished during subsequent visits. If Corrective Actions take more than two weeks to implement, a progress report may be required. When the corrective action is completed and verified to be effective, the GLN Advanced Solutions and GLN Plast Corrective Action Champion is responsible for approving the corrective action closure and notifying the Supplier contact of the closure.
- 7. A Corrective Action at a minimum must include:
  - Clear identification of the root cause and cannot be a restatement of the issue
  - Interim Action and containment implemented
  - Actions taken to correct issue
  - Actions taken to prevent reoccurrence (i.e., error-proofing)
  - Evidence of verification that actions taken were effective
  - Lessons Learned or Read Across implemented

## B. Preventive Action Request

If non-conforming material received by GLN Advanced Solutions and GLN Plast from the supplier causes zero or minor disruption (no down time /no scrap /no issue at GLN Advanced Solutions and GLN Plast' Customer), the supplier shall submit a corrective action plan and meet any requirements approved through the corrective action plan.

## C. Escalation Process

GLN Advanced Solutions and GLN Plast requires suppliers to assure that all material, services, and processes are in conformance to all specifications and requirements and are delivered within the defined delivery schedule. Repeat product and/or process issues, launch or delivery issues may initiate the use of Controlled Shipping at the expense of the supplier. GLN Advanced Solutions and



GLN Plast escalation process for repeated incidence is initiated through the Escalation Process. A supplier failing to protect a GLN - Advanced Solutions facility from repeated incidences will be subject to the escalation process, up to and including resourcing.

## D. Continual Improvement

### 1. General

Continual Improvement in regard to cost reduction is an essential element of long-term business success for GLN Advanced Solutions and GLN Plast and for its Suppliers. In order to remain competitive, GLN Advanced Solutions and GLN Plast and its Suppliers must recognize the requirement to find effective ways to eliminate waste and reduce the cost of our products.

### 2. Expectation—Improvement Factor

GLN Advanced Solutions and GLN Plast expects all Suppliers to constantly examine and optimize the entire cost structure of their business and the products supplied GLN Advanced Solutions and GLN Plast; including process improvements, cycle-time reduction, scrap reduction, die/tooling set-up reduction, design improvements, Sales, General and Administration (SG&A) reduction, fixed and variable over-head reduction, transportation, etc. In order to ensure proper review and validation of Suppliers' design and process improvement ideas, Suppliers must strictly comply with GLN Advanced Solutions and GLN Plast' change management requirements for all design and process change proposals.

## 9. Supplier Improvement Plan

When a non-conformity processing is still not efficient, we enter in the step 2 escalation process. The Purchasing Manager and the Supplier Quality Leader have the authority to decide a supplier improvement plan for any supplier that does not reach the defined performance targets. The supplier evaluation's criteria depend on the considered commodity family. Decision on the criteria is taken by the Purchasing Manager and the Supplier Quality Leader (according risk, gravity...).

The main criteria can be:

- Respect of the contract review
- Level of Non-Quality Cost
- Scorecard level: supplier scorecard performance' follow up checks the compliance with Quality, Purchasing Conditions & Delivery time targets and allows to schedule continuous improvement with our suppliers. Through this approach, our target is to make every effort to achieve zero defect and to work with the world's best automotive suppliers. Supplier Score Cards are used for the Purchasing Strategy and support the supplier selection decision during the Sourcing Committee. Supplier Score Cards (Quality, Purchasing Conditions and Delivery Performance) are communicated to the suppliers according to:
  - GLN Advanced Solutions: in a quarterly basis by the Supplier Quality Leader
  - GLN Plast: in an annual basis by the Quality Manager
- Number of repetitive claim
- Number of claim in the GLN Advanced Solutions and GLN Plast plants
- Reactivity of the supplier for claims management (Quick D3 lead-times not respected)
- Lack of efficiency of corrective actions
- Supplier risk assessment



## 10. **Supplier Charge Back**

### **A. General**

Suppliers are responsible for the quality, on-time delivery, and reliability of the product they supply. Product must meet the drawing and any referenced specification requirements. Suppliers must also maintain their approved production process and/or service that yielded acceptable and conforming parts upon PPAP approval unless there is a documented agreed upon deviation from the GLN - Advanced Solutions receiving plant. The Supplier accepts financial responsibility for the consequences of non-conforming product and rejected PPAP submissions including, but not limited to, costs incurred for containment, sorting, premium freight, rework, repair, and replacement of defective material, resulting overtime, and productivity loss incurred by GLN Advanced Solutions and GLN Plast or by GLN Advanced Solutions and GLN Plast customers.

Following is the schedule for charge back costs associated with non-conforming product sent to a GLN Advanced Solutions and GLN Plast site:

- Administration fee for each Corrective Action request issued.
- Off-site 3rd Party Sorting—charges to be paid directly between Supplier and 3rd Party Sorting Company.
- In-house sorting by 3rd Party Sorting Company (if allowed by specific GLN Advanced Solutions and GLN Plast site)— charges to be paid directly between Supplier and 3rd Party Sorting Company.
- In-house sorting by GLN Advanced Solutions and GLN Plast personnel (if required to avoid down production line— Supplier will be responsible for actual costs incurred).
- Production Line-Down Charge—Supplier will be responsible for actual costs incurred.
- Miscellaneous fees (rework, material handling, required Customer visit time and travel costs, expedites, Customer location sorting fees, tooling/machine damage, testing, etc.). Supplier will be responsible for actual costs incurred.
- Applicable warranty costs in accordance with the designated OEM warranty fault/no- fault found systems.

### **B. Unauthorized Changes**

In cases where a GLN Advanced Solutions and GLN Plast Supplier has implemented an unauthorized change\* or has failed to deliver contracted products in accordance with the specifications and terms of the GLN Advanced Solutions and GLN Plast Purchase Order, all cost that are incurred by GLN Advanced Solutions and GLN Plast and/or its Customers will be the sole responsibility of the Supplier.

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\* Examples of Unauthorized changes include, but are not limited to: tool/equipment transfer, unauthorized outsourcing, new manufacturing location, tooling changes, process changes



outside of the current level 3 PPAP, etc.

### C. Charge Back Debit

The method of charge back will be by “invoice for supplier incident”, processed by the GLN Advanced Solutions and GLN Plast receiving location.

## **MATERIAL REQUIREMENTS**

### **1. Material Management Operation Guideline (MMOG)**

Some Suppliers may be required to provide a copy of their MMOG Scoring Summary Results. If GLN Advanced Solutions and GLN Plast requires the supplier to implement MMOG and the supplier fails to do so by the target date, GLN Advanced Solutions and GLN Plast reserves the right to place the Supplier's company on New Business Hold and/or consider another source.

### **2. Material Releasing and Authorization**

Authorization is the number of weeks of financial commitment for released material that GLN Advanced Solutions and GLN Plast provides the supplier. In other words, it is how much material (measured in weeks) GLN Advanced Solutions and GLN Plast will buy from the supplier if the part is no longer required. If a supplier has a raw authorization of six weeks, GLN Advanced Solutions and GLN Plast will purchase no more than six weeks worth of raw material from that supplier if GLN Advanced Solutions and GLN Plast decides no longer to use the part.

All suppliers shall receive:

- A minimum of two weeks fabricated material – finished goods – authorization.
- An incremental two weeks of firm - work in process - authorization.
- An incremental four weeks of raw material authorization.

***Note: To be clear, the total authorization period is eight full weeks.***

GLN Advanced Solutions and GLN Plast will supply up to 16 weeks or more of releases for material planning and forecast purposes only.

It is the responsibility of the Supplier to ensure all requirements are met as directed by the release and / or purchase order.

GLN Advanced Solutions and GLN Plast's goal is to minimize the amount of obsolescence of product for the supplier and for GLN Advanced Solutions and GLN Plast. It is the supplier's responsibility to work on continuous improvement activities to reduce the Material Authorization needed.

For Extended Material Authorization, complete the appropriate form and submit for approval to your GLN Advanced Solutions and GLN Plast buyer.



### 3. **Just-In-Time (J.I.T.) Delivery**

All production material/service requirements will be against a Blanket Purchase Order, which will be forwarded to the Supplier by the GLN Advanced Solutions and GLN Plast Purchasing Department.

As a supplier to GLN Advanced Solutions and GLN Plast, it is imperative that you are aware of our delivery expectations. GLN Advanced Solutions and GLN Plast focuses on reducing inventory levels. We fully expect our suppliers to deliver 100% on time to our ship schedules.

The purpose of JIT delivery is to improve the overall productivity and quality of parts, for both supplier and customer, through the elimination of waste. It is expected that all suppliers will provide JIT delivery to GLN Advanced Solutions and GLN Plast:

- According to material releases
- Local warehousing may be required if you are a supplier located outside of the local delivery area in order to support JIT deliveries.

If there are problems anticipated with meeting Purchase Order Release requirements, communication must take place with the GLN Advanced Solutions and GLN Plast Procurement department. In the case of a production stoppage due to a Supplier non-conformance to the Purchase Order Releases, the GLN Advanced Solutions and GLN Plast will debit the Supplier with all costs incurred, including cost incurred at GLN Advanced Solutions and GLN Plast' customer location. GLN Advanced Solutions and GLN Plast is not responsible for any inventory at the supplier's location beyond the authorized levels indicated on the Purchase Order Releases.

### 4. **Missed Shipments**

GLN Advanced Solutions and GLN Plast expects all their suppliers to expedite all missed shipments the same day at the supplier's expense. All missed shipments will be documented and will be reflected in the Supplier Performance Rating.

#### **Expedites**

GLN Advanced Solutions and GLN Plast requires a formal email to the customer materials manager in the event of any expedite that the supplier incurs regardless of a missed or late delivery time. In the event a supplier requires an expedite to protect for a designated delivery time the supplier is responsible for notifying the customer plant **within a minimum of 24 hours of the occurrence via email notice with details and root cause identified for the expedite.**

A supplier who fails to provide notification will be required to complete a corrective action and may incur a score adjustment and / or administrative costs per occurrence when failing to monitor and report expedites.

### 5. **Safety Stock & Change Responsiveness**

Fluctuations in demands have become common place in the automotive industry. GLN Advanced Solutions and GLN Plast expects that an increase or decrease in demand of up to 15% be supported at all times. Suppliers to GLN Advanced Solutions and GLN Plast are required to carry sufficient inventory of product to protect GLN Advanced Solutions and GLN Plast and their Customers from shortage situations. Suppliers should establish the minimum inventory required as protection and be prepared to provide this



information to GLN Advanced Solutions and GLN Plast upon request.

In order to prevent missed deliveries to GLN Advanced Solutions and GLN Plast, suppliers must ensure they have the capability to maintain a continuous flow of material despite potential interruptions involving:

- Labor disruptions
- Equipment failures
- Tool transfers
- Material shortages
- Capacity shortfalls

Maintaining a base amount of safety stock will be required of all GLN Advanced Solutions and GLN Plast suppliers. The amount of safety stock will depend on many factors and will be determined on an individual basis.

Short shipments will require a supplier action plan and will result in delivery performance penalties.

## 6. Supplier Bank Build Requirements

Suppliers may be required to build **banks** for engineering changes, moving of equipment, etc. A bank is required when there is a physical movement of tooling. The supplier must supply a Bank Build Plan and submit to the GLN Advanced Solutions and GLN Plast Engineering Manager for approval. The supplier will be required to provide updates to the Bank Build Plan as directed through final consumption of bank.

## 7. Packaging/ Labeling

### A. Labeling

All material shipped by the Supplier shall be identified with a label that will ensure product identification and traceability throughout all stages of production. All cartons/ containers/ racks shall be identified. Labeling should adhere to GLN Advanced Solutions and GLN Plast labeling standards. Labeling requirements may be dictated by the product being shipped or the facility that the product is being shipped to.

The identification method shall meet the specifications provided by GLN Advanced Solutions and GLN Plast. A Master Label is required for multiple containers of the same part number on a single pallet. The supplier should ship one part number per skid unless approved otherwise by the Logistics Department.

The Supplier should have a process in place for scanning all bar code labels to create shipping documents and the Advance Shipping Notice. Failure to label correctly may result in administrative charges.

### B. Packaging

Packaging will be reviewed on an individual basis. This should be agreed through the contract review.

## 8. Spare parts

GLN Advanced Solutions and GLN Plast is obliged to deliver replacement parts to its customers after the end of the mass production and thus the GLN Advanced Solutions and GLN Plast suppliers shall ensure the supply of spare parts after the end of serial life. Unless otherwise defined it concerns a period of 15 years





after the end of serial life. This period can be confirmed in the Letter of Intent issued per supplied part number.

## **9. Supplier Communication**

Suppliers shall be capable of receiving and sending electronic communication with GLN Advanced Solutions and GLN Plast.

Supplier must notify GLN Advanced Solutions and GLN Plast within 24 hours of a production interruption. The nature of the problem shall be communicated to GLN Advanced Solutions and GLN Plast and immediate actions implemented for continued supply of product to GLN Advanced Solutions and GLN Plast.

Suppliers with collective bargaining agreements will be responsible for providing GLN Advanced Solutions and GLN Plast with an Action Plan for potential production interruptions six months prior to negotiations.

Product volume change requests from GLN Advanced Solutions and GLN Plast increasing/decreasing volume by 20% or more over the previously verified volume capability shall require confirmation from supplier management to ensure no interruptions from the supplier to GLN Advanced Solutions and GLN Plast.

## **10. Contingency Plans**

GLN Advanced Solutions and GLN Plast requires suppliers to establish contingency plans to prevent failure of the supplier to deliver product within the terms of the contract / purchase order / release in the event of an emergency such as utility interruptions, labor shortages, key equipment failure, and field returns. GLN Advanced Solutions and GLN Plast reserves the right to review the supplier's contingency plan.

If GLN Advanced Solutions and GLN Plast and/or its customer's production is interrupted by the failure of the supplier to deliver scheduled product within agreed to terms, all costs and/or penalties that are incurred by GLN Advanced Solutions and GLN Plast and/or our customers will be the sole responsibility of the supplier.

## **SUPPLIER PERFORMANCE AND DEVELOPMENT**

### **1. Review Frequency**

Key performance indicators shall be monitored on a pre-determined frequency and feedback as required per GLN Advanced Solutions and GLN Plast plant procedures. The reviews may consist of but not limited to:

- a. PPM\*
- b. Number of incidents; type of incident
- c. Delivery performance to schedule; premium freight
- d. GLN Advanced Solutions and GLN Plast and/or OEM customer disruptions
- e. Communication & Response Time
- f. Dealer returns, field actions, warranty, recalls





- g. PPAP Timeliness
- h. Corrective Action –
  - Containment response and effectiveness
  - Response Time for planned and implemented action
  - Effectiveness of Containment and corrective action taken
  - Effectiveness of verification of action(s) taken

During the Sourcing and Quoting process for further potential business, supplier Performance Ratings shall be considered as part of the review.

## 2. Parts Per Million Rating

One of the measurements of Quality Performance of suppliers is defective Parts Per Million (PPM). The expectation for supplier performance is 0 PPM (zero defects).

Product received into GLN Advanced Solutions and GLN Plast facilities that does not conform to the drawing, specifications and/or agreed upon standards will be counted against a supplier's PPM record.

Quantities will be reported in the units of measure in which they are purchased. This applies to production parts / saleable units.

The following are PPM assignable:

- Production Parts which do not meet drawing specifications or dimensional, functional, or appearance standards as called out in the specifications or from an agreed-upon boundary sample.
- Out-of-spec parts that require rework/repair in order to be used.
- Production Parts damaged from inadequate packaging or transportation for which the supplier is responsible.
- In cases where the supplier may be shipping prior to PPAP with an approved customer deviation, any defects outside of the boundaries defined by the deviation.
- Out-of-spec parts shipped prior to PPAP approval without an approved customer deviation.
- Shipments that are received with mixed parts or parts that are the wrong revision level after the break point has been established. PPM is assigned for the quantity of incorrect parts only.
- Shipments that are received with mislabeled containers are considered PPM assignable. The reject quantity shall reflect the total number of containers with incorrect labels. In cases where each individual part requires identification, the total number of incorrectly labeled parts will be counted toward PPM. If mislabeled products are used incorrectly in production operations, the total number of incorrect assemblies will be counted against the supplier's reject quantity.



### **3. Supplier Development**

Plant Quality Leaders, Plant Quality Manager, or designee has primary responsibility for obtaining corrective actions for quality and Procurement Administrator, or designee has responsibility for corrective actions due to delivery issues from suppliers. Purchasing Manager and/or Supplier Quality Leader may become involved when suppliers are not responsive to requests from GLN Advanced Solutions and GLN Plast plants for corrective actions and/or overall poor performance from a supplier due to quality and delivery issues.

- A. Purchasing will make the final determination (i.e., first or one-time occurrence, competitiveness in the market place, etc.) to place a supplier on probation, de-source, and/or to continue to monitor suppliers with performance issues.
- B. Supplier Quality Leader or other 2<sup>nd</sup> part qualified auditor may conduct onsite supplier development, which may include, but not limited to, verification of correction action, supplier process audit, conducting PSO's (Project Support Officer) and improvement activities.

### **WARRANTY MANAGEMENT**

When the supplier is required to provide warranty for their product(s) and or process(es), the supplier shall implement a warranty management process that shall include a method for warranty part analysis, including NTF (no trouble found). Procedure shall comply with VDA Volume "Field Failure Analysis".

GLN Advanced Solutions and GLN Plast Customers assert increasing importance on product performance and expenses attributed after vehicle sale. With increasing consumer awareness to vehicle performance and reliability OEM Customers extend warranty coverages. It is vital for GLN Advanced Solutions and GLN Plast and their supply base to focus on durable and persisting quality of their products.

OEM Customers have stipulated that warranty costs will be shared with their supply base and GLN Advanced Solutions and GLN Plast stipulates the same expectation. All applied OEM warranty system processes, procedures, agreements and requirements will transmit through to the GLN Advanced Solutions and GLN Plast supply base in the same accordance.

When a supplier's component is implicated in warranty, customer complaints recall, field failures or campaign of any kind, including any returned parts, the supplier shall perform analysis and initiate problem solving and corrective action to prevent recurrence.

Where requested by the customer, this shall include analysis of the interaction of embedded software of the organization's product within the system of the final customer's product.

The supplier shall communicate the results of testing/analysis to GLN Advanced Solutions and GLN Plast

The supplier will be held responsible for root cause analysis, appeal or rebuttal of claim, and must be prepared to accept all associated costs. As such, suppliers will be expected to participate in warranty activities.

- Warranty return reviews and analysis
- Improvement and corrective action process
- Warranty cost responsibility



Responsibility and costs for which a supplier is accountable shall also be referenced in conjunction of the GLN Advanced Solutions and GLN Plast Purchase Order Standard Terms and Conditions of Supply or contact your GLN Advanced Solutions and GLN Plast Purchasing Buyer representative.

## **CORPORATE SOCIAL RESPONSABILITY**

Corporate Social Responsibility (CSR)/Sustainability is a process for companies to integrate environmental, social, and governance (ESG) topics into its corporate strategy, operations and supply chain.

At GLN AS we believe that people and the environment are the automotive industry's most important resources. We strongly feel that companies should fulfil their social responsibilities and obligations to realize a healthy and harmonious development between enterprises and employees, enterprises and society, and enterprises and the environment. As part of this, we are working together to attain the highest standards in business integrity and the social and environmental performance of our supply chain. The automotive industry supply chain has a high degree of complexity; therefore, we believe in the benefits of a common approach and message where possible, and we expect suppliers to uphold these standards and cascade them throughout their supply chain. These standards integrate the Supplier's Manual of Conduct of the Group Manuel Champalimaud and the supplier must accept and subscribe it.

### **1. BUSINESS ETHICS**

Suppliers should uphold the highest standards of integrity and operate honestly and equitably throughout the supply chain. Suppliers should implement a management system for business ethics that includes the following:

- **Anti-Corruption and Anti-Money Laundering:** Suppliers should not participate in or endorse any corrupt practices in whatever form, including offering or accepting bribes, excessive gifts or hospitality or facilitation payments. Suppliers should not facilitate or support money laundering. Suppliers should report any suspicious transactions and be alert for signs of money laundering.
- **Data Protection and Data Security:** Suppliers should respect the privacy and civil liberties in respect of the collection, retention, use or dissemination, as well as any other processing of personal data.
- **Financial Responsibility/Accurate Records:** Suppliers should perform their business dealings in a transparent manner and accurately reflect them in the companies' financial reports and filings. Suppliers should confirm an adequate financial reporting system control is in place.
- **Disclosure of Information:** Suppliers should disclose financial and non-financial information in accordance with applicable regulations and prevailing industry practices.
- **Conflicts of Interest:** Suppliers should ensure that their employees avoid and disclose situations where their financial or other interests conflict with job responsibilities, or situations giving any appearance of impropriety.
- **Counterfeit Parts:** Suppliers should minimize/minimize the risk of introducing counterfeit and/or diverted parts and materials into deliverable products and adhere to relevant technical regulations in the product design process.
- **Intellectual Property:** Suppliers should respect valid intellectual property rights.

- **Export Controls, Trade, and Economic Sanctions:** Suppliers should comply with applicable restrictions on the export or re-export of goods, software, services and technology, as well as with applicable restrictions on trade involving certain countries, regions, companies or entities and individuals.
- **Grievance Mechanism:** Suppliers should establish an effective grievance mechanism in line with UN Guiding Principle 31 that allows concerns related to business ethics, human rights, or any other topic to be raised anonymously, confidentially and without retaliation.
- **Remediation:** Suppliers should provide for or cooperate in remediation through legitimate processes when their business activities cause or contribute to adverse environmental or social impacts.
- **Non-retaliation:** Suppliers should avoid any form of threats, intimidation, and physical or legal attacks against stakeholders, including those exercising their legal rights to freedom of expression, association, peaceful assembly and protest against their business activities.

## **2. ENVIRONMENTAL RESPONSABILITY**

Suppliers should develop, implement, and support a proactive approach to environmental responsibility through environmental protection practices, conserving natural resources and reducing overall environmental footprint of production, goods and services throughout their life cycle. Suppliers should implement an environmental management system that includes the following:

- **Carbon Neutrality:** GHG Emissions monitorization and reduction in value chain. Suppliers should strive to set science-based and time-bound emission reduction goals and renewable energy objectives that are aligned with the Paris Agreement, and put in place measures that drive forward the decarbonization of the entire value chain. Moreover, suppliers must be prepared to provide emissions factor (direct and indirect) upon request by GLN Advanced Solutions and GLN Plást.
- **Water Quality, Consumption & Management:** Suppliers should minimize/minimize water consumption, effectively reuse and recycle water with responsible treatment of wastewater discharges and prevent potential impacts from flooding as a consequence of rainwater run-off, as required by and in accordance with applicable law.
- **Air Quality:** Suppliers should routinely monitor and disclose, appropriately control, minimize/minimize, and to the extent possible, eliminate emissions contributing to air pollution, as required by and in accordance with applicable law. Suppliers should assess cumulative impacts of pollution sources at their facilities and mitigate their pollution levels accordingly.
- **Responsible Chemical Management:** Suppliers should identify, minimize/minimize or eliminate the use of restricted substances in manufacturing processes and finished products to ensure regulatory compliance. Companies should also be aware of any use of restricted substances in processes and finished products, and actively investigate suitable substitutes to maintain product and environmental stewardship.
- **Circularity:** Suppliers should promote closed loop systems by supporting the use of sustainable, renewable natural resources while reducing waste and increasing reuse and recycling.
- **Animal Welfare:** Suppliers should respect the five animal freedoms formalized by the World Organization for Animal Health (OIE) concerning animal welfare. No animal should be raised and killed for the single purpose of being used in an automotive product.

- **Biodiversity, Land Use and Deforestation:** Suppliers should protect ecosystems, especially key biodiversity areas, impacted by their operations, and avoid illegal deforestation in accordance with international biodiversity regulations, including the IUCN Resolutions and Recommendations on Biodiversity.
- **Soil Quality:** Where appropriate, suppliers should monitor and control their impact on soil quality to prevent soil erosion, nutrient degradation, subsidence and contamination
- **Noise Emissions:** Where appropriate, suppliers should monitor and control the levels of industrial noise to avoid noise pollution.

### **3. HUMAN RIGHTS AND WORKING CONDITIONS**

Suppliers must respect the human rights of workers, local communities and other relevant stakeholders, and prevent and address adverse human rights impacts linked to their business activities, in accordance with the UN Guiding Principles on Business and Human Rights. Suppliers should implement a management system for human rights and working conditions that includes the following:

- **Child Labor/Labour and Young Workers:** Suppliers must observe the minimum employment age in their business activities and throughout their supply chain in accordance with the ILO Minimum Age Convention and shall ensure that child labor/ labour is not tolerated in any form.
- **Wages and Benefits:** Suppliers must provide their workers with remuneration in accordance with applicable regulations and prevailing industry practices; such remuneration should be adequate to cover basic needs and enable a decent standard of living for the workers and their families, which includes respecting minimum wages, overtime compensation, medical leave and government-mandated benefits.
- **Working Hours:** Suppliers must comply with local laws and collective bargaining agreements (where applicable) regarding working hours, or should comply with the ILO Standards on Working Time\* in the absence of relevant local regulations.
- **Modern Slavery:** Suppliers must prohibit any forms of forced, bonded or compulsory labor/labour, including human trafficking.
- **Ethical Recruiting:** Suppliers must not mislead or defraud potential workers about the nature of the work, ask workers to pay recruitment fees, and/or confiscate, destroy, conceal, and/or deny access to worker passports and other government-issued identity documents. Workers must receive a written contract or employment notification at the start of their recruitment in a language well understood by them, stating in a truthful, clear manner their rights and responsibilities.
- **Freedom of Association and Collective Bargaining:** Suppliers should allow workers to communicate openly with management regarding working conditions and management practices without fear of reprisal, intimidation or harassment. Companies should respect worker rights to associate freely, to join or not join labor/labour unions, bargain collectively, seek representation and join workers' councils.
- **Non-Discrimination and Harassment:** Suppliers should not tolerate any form of discrimination or harassment in respect of employment and occupation and should provide equal employment opportunities regardless of worker or applicant characteristics such as age, gender, sexual orientation, gender identity,

ethnicity or national origin, disability, pregnancy, religion, political affiliation, union association, covered veteran status, genetic information or marital status.

- **Women's Rights:** Suppliers should provide equal opportunity in employment and commit to equal pay for equal work.
- **Diversity, Equity, and Inclusion:** Suppliers should develop and promote inclusive cultures where diversity is valued and celebrated, and everyone is able to contribute fully and reach their full potential. Suppliers should encourage diversity in all levels of their workforce and leadership, including boards of directors.
- **Rights of Minorities and Indigenous Peoples:** Suppliers should respect the rights of local communities to decent living conditions; education, employment, social activities; and the right to Free, Prior, and informed Consent (FPIC) to developments that affect them and the lands on which they live, with particular consideration for the presence of vulnerable groups.
- **Land Rights and Forced Eviction:** Suppliers should avoid forced eviction and the deprivation of land, forests and waters in the acquisition, development or other use of land, forests and waters.
- **Private or Public Security Forces:** Suppliers should not commission or use private or public security forces to protect the business project if, due to a lack of training or control on the part of the company, the deployment of the security forces may lead to violations of human rights.

#### **4. SAFE AND HEALTHY WORKING ENVIRONMENT**

Suppliers should provide workers a safe and healthy working environment that meets or exceeds applicable local laws and industry standards for safety and occupational health. Suppliers should implement a management system for a safe and healthy working environment that includes the following:

- **Workspace:** Suppliers should provide a working environment that meets or exceeds local and national safety, occupational health, and fire safety legislation, in addition to encouraging remote workers to understand and apply best practices.
- **Protective measures:** ensure that collective protective measures are taken to reduce and control occupational risks.
- **Personal Protective Equipment:** Where applicable, suppliers should provide their workforce with necessary Personal Protective Equipment (PPE) and ensure they understand how and when it needs to be applied.
- **Emergency Preparedness:** Suppliers should reduce the risk of occupational hazards and develop an emergency preparedness and response plan.
- **Incident and Accident Management:** Suppliers should implement hazard and risk analysis systems to minimize/minimize the potential for incidents or accidents at the workplace. An investigation system should drive to determine the root cause, and a corrective action system should ensure all permanent measures have been taken to minimize/minimize the chance of a recurrence.
- **Contractors:** Suppliers should properly manage the health and safety of contractors as part of a company's extended supply chain. Suppliers should coordinate their procurement processes to identify hazards and to

assess and control risks arising from the contractor's business activity with the supplier, and the company's business activity that impacts the contractors' workers.

## **5. RESPONSIBLE BUSINESS CONDUCT**

Suppliers should select business partners that comply with the practices of responsible business conduct and cascade the Guiding Principles along the supply chain. Suppliers should implement a supplier management system that includes the following:

- Due Diligence: Suppliers should conduct due diligence on their direct suppliers and subcontractors in accordance with the OECD Due Diligence Guidance for Responsible Business Conduct, promote transparency and traceability and use their best efforts to implement the ESG standards further along the supply chain, and cascade the Guiding Principles further along the supply chain.
- Responsible Sourcing of Raw Materials and Minerals: Suppliers should responsibly source raw materials and minerals used in their products by developing a management system that promotes supply chain traceability and transparency, and by implementing due diligence measures in accordance with OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

## **6. CARBON BORDER ADJUSTEMENT MECHANISM (CBAM)**

As from October 1, 2023, Regulation 2023/956 introduced the EU's Carbon Border Adjustment Mechanism (CBAM) with the objective to reduce carbon emissions, put a fair price on the carbon emitted during the production of carbon intensive goods imported into the EU and encourage a cleaner industrial production through a methodology for calculating embedded emissions according to the Paris Agreement and the EU Fit for 55 package. From 01/10/2023 to 31/12/2025 there is a transitional period and the EU's Carbon Border Adjustment Mechanism (CBAM) is expected to be fully in place as of 2026. Starting from now on, the suppliers are expected to:

- define a procedure that allows the tracking of products which are concerned by CBAM regulation.
  - collect information on the emissions to refine the methodology for calculating embedded emissions.
  - report greenhouse gas emissions (GHG) embedded in their imports (direct and indirect emissions) during a given quarter of a calendar year (Importers of goods or their indirect customs representative)
  - submit the report no later than one month after the end of that quarter.
- The obligation to submit the CBAM report on a quarterly basis will cover the whole transitional period from 01/10/2023 to 31/12/2025.
- register in the CBAM Transitional Registry: Developed by the EU Commission to assist traders in making and submitting the CBAM report, this registry will also allow communication between the Commission, the competent authorities, the national customs authorities and traders. Access and registration to the registry should be requested through the CBAM Portal (TAXUD).



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