



**CADILLAC PRODUCTS  
AUTOMOTIVE COMPANY**

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# Supplier Manual

## Development and Qualification

### Purpose

The purpose of the Cadillac Products Automotive Company (CPAC) supplier manual is to communicate our company's requirements and expectations to our suppliers. The intent is for suppliers to use the processes outlined which define requirements for doing business with CPAC. Doing this will ensure that our supply base is continually improving to prevent quality and delivery disruptions.

### Supplier Development and Qualification

Cadillac Products Automotive Company will collaborate with our suppliers to establish and develop plans to ensure compliance and continuous improvement with respect to the requirements documented in this manual.

**New Supplier Survey Form:** New suppliers are required to complete our **Sourcing Survey** form and submit it to purchasing for review. The survey form is required to be updated every two years. A blank form is attached at the end of this document.

**Certifications:** Quality, diversity, environmental, certificate of liability insurance and other required certifications such as the current versions of ISO 9001 or IATF are to be submitted by the supplier to Purchasing as requested.

### Other Potential Requests:

- A Dunn and Bradstreet report may be generated and a request for financial risk assessment may be made
- On-site Process Audits and Production Demonstration Runs may be scheduled as required or determined to be necessary.

**Supplier Evaluation:** The Quality Manager, Project Manager, and Purchasing Manager jointly make the supplier qualification decision. Periodic performance reviews are done as needed.

**Production Part Approval Process:** CPAC uses the production part approval process (PPAP) to qualify both new parts and changes to existing parts. No changes to materials or processes are to be made prior to notifying CPAC and following strict adherence to established automotive PPAP practices.

## Supplier Corporate Responsibility

**Corporate Responsibility** is the ongoing commitment by a business to act ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large. Cadillac Products Automotive Company supports our suppliers to follow the AIAG Corporate Responsibility Guidance Statement that can be found at [www.aiag.org](http://www.aiag.org) under Corporate Responsibility.

- All suppliers are encouraged to complete the AIAG- Supply Chain Corporate Responsibility Training that can be found at [www.aiag.org](http://www.aiag.org) as well. This is a no cost eLearning session.

Cadillac Products Automotive Company expects its suppliers to conduct their operations in a socially and environmentally responsible manner.

**Labor Requirements:** All suppliers owned and operating in the U.S. are to follow applicable laws and regulations. These include all the Laws and Regulations enforced by the U.S. EEOC. Please refer to their website:

<https://www.eeoc.gov/eeoc/>.

**Health and Safety-** Suppliers should practice the following:

- Control worker exposure to potential safety hazards (electrical and other energy sources, fire, heat, vehicles, and fall hazards.) through proper design, engineering and administrative controls, preventative maintenance, and safe work procedures. Personal protective equipment is to be supplied where necessary.
- Maintain appropriate emergency plans and response procedures. Manage, track, and report occupational injuries and illnesses and include provisions to encourage worker reporting, classify and record injury and illness cases, provide necessary medical treatment, investigate, and implement corrective actions to eliminate their causes, and to facilitate return of workers to work.
- Identify, evaluate, and control worker exposure to chemical, biological, radiological, and physical agents as well as physically demanding tasks. Provide appropriate personal protective equipment when hazards cannot be otherwise controlled.
- Provide and maintain machine safeguards, interlocks, and barriers.
- Keep current and follow required environmental permits, monitoring, and discharge registrations.
- Adhere to applicable laws and contract requirements regarding prohibition or restriction of specific substances, materials, and waste.

**Sustainability:** Suppliers should practice the principles of sustainable business including becoming familiar with and participation in sustainability practices

A useful resource is Supporting the Global Reporting Initiative found at <http://www.globalreporting.org/>,

Suppliers are encouraged to support and promote diversity in the supplier base. Take voluntary initiatives to reduce environmental impacts. Including efforts to improve energy efficiency, control greenhouse gas emissions, recycle materials, curtail, or phase out use of toxic substances, minimize waste, conduct life-cycle assessment of products, and promote greening of the supply chain.

Suppliers are expected to support a safe and healthful workplace, hiring, and promoting without discrimination, paying competitive wages and benefits, and being responsible citizens in communities where they operate.

**Management Systems:** Suppliers are required to adopt a management system compliant with and registered to the current version of ISO 9001, IATF, and ISO 14001 or equivalent as approved by Procurement and Quality jointly. These systems are to promote continuous improvement and compliance with applicable laws, regulations, and contract requirements.

Suppliers may be audited, and all suppliers are expected to have Key Process Indicators available upon request.

**Conflict Minerals:** In August 2012, the U.S. Securities and Exchange Commission adopted final rules to implement reporting and disclosure requirements related to “Conflict Minerals” as directed by the Dodd-Frank Wall Street Reform

and Consumer Protection Act of 2010. Publicly traded U.S. companies that make products in which 3TG metals (tantalum, tin, tungsten, and gold) or Cobalt are necessary to product functionality or production are sourced from countries in and around the Democratic Republic of Congo.

Cadillac Products Automotive Company's position and policy is that we support efforts to end human rights abuses wherever they may occur. We conduct business in a manner intended to avoid intentionally or knowingly contribute to such abuses. Consistent with this commitment our objective is to use only "conflict free" materials and components in manufacturing our products and we require all our suppliers to do the same. Our suppliers must comply to all the requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, whether they are directly subject to the legal regulations of this law.

The reporting of Conflict Minerals is on-going, and our company surveys our supply base annually and submits our findings to all SEC reporting companies. Our suppliers are required to complete the Conflict Minerals Surveys when requested as a term of doing business.

**Ethics:** Suppliers are expected to uphold the highest ethical standards to include:

- Properly disclose and protect business information, customer information, and intellectual property rights in accordance with applicable requirements and prevailing industry practices.
- Protect supplier and employee whistle blower confidentiality.
- Prohibit corruption, extortion, and embezzlement, bribes, or other means of obtaining undue or improper advantage and to ensure fair business and competition.

In addition to cost and quality, supplier corporate responsibility in terms of environmental and social obligations is taken into consideration is taken into consideration when reviewing suppliers for approval to award business.

## Supplier Schedules

Supplier requirements will be communicated through Purchase Orders and/or schedule/material releases.

**Orders/Releases** will contain the following information:

- Purchase Order Number – the purchase order number must be included on all shipping and invoicing documents
- CPAC in-house delivery due dates and quantity information
- Part Number and Part Description- must be on all boxes and documents
- CPAC ship to and bill to address

Cadillac Products Automotive Company expects suppliers to deliver all scheduled shipments on the due date. Cadillac Products expects suppliers notify CPAC contacts immediately, if supplier determines they are unable to meet delivery due dates according to releases.

If you do not contact us before your shipping date and you do not ship the correct parts in the correct quantity with the correct paperwork, we reserve the right to immediately issue a non-conformance or **Purchasing Concern Report (PCR)** corrective action. As a result of non-conformance, we may immediately engage in cost recovery efforts.

Cadillac Products Automotive Company is to be notified immediately if the supplier's capacity utilization is approaching or expected to exceed 100%. Once realized, we expect a precise evaluation of the risk that deliveries may not be met or may become at risk in the future.

## Receiving Requirements

CPAC requires suppliers to present the following documentation to ensure on-time and accurate receiving:

1. Complete Bill of Lading to include:
  - a.) Destination Address
  - b.) Supplier name
  - c.) Delivery Date
  - d.) Bill of Lading Number
  - e.) CPAC Part Number
  - f.) CPAC Purchase Order Number
  - g.) Correct Ship Quantity
  - h.) Lot Numbers – if applicable (for tolling traceable to CPAC serial numbers)
2. Bar Code Labels are required on all boxes and shipping containers
3. ASN (Advanced Shipping Notification) as available

Lack of proper paperwork and labeling may affect the following:

1. Products may be refused
2. Payments can be delayed
3. Production can be jeopardized
4. Receiving is difficult and can be delayed. Purchasing Concern Reports may be issued for corrective action. As a result, your performance score may be affected.

## Labeling and Bar Code Requirements

All incoming products shall have bar code labels that are readable by Cadillac Products scanning equipment.

- 1.) One Product Label per carton.
- 2.) One Master Label per SKU on skid

### Product Label to Include

CPAC Part Number	Bar Code
Part Description	No Bar Code
Quantity	Bar Code
Lot number or serial number	Bar Code
Tare weight	No Bar Code
CPAC P.O. Number	Bar Code
Labels to be on two (2) adjacent corners of the box if 24" or less	
Labels on two (2) corners for boxes larger than 24" as well	
Boxes on a skid must have labels facing out on all sides	

## Invoicing Requirements

All invoices must include the following:

- 1.) CPAC part number
- 2.) CPAC purchase order number
- 3.) Quantity shipped
- 4.) Price
- 5.) Bill of lading number

Non-confirming invoices may be returned unprocessed.

**All invoices are to be sent to:**

Cadillac Products Automotive Co.  
Attn: Accounts Payable  
5800 Crooks Road, Suite 100  
Troy, MI 48098  
Email: [AP@cadprodauto.com](mailto:AP@cadprodauto.com)

## Supplier Performance

Excellence in Supplier Quality and Delivery Performance is an established expectation in the automotive industry worldwide. Cadillac Products Automotive Company strives to meet this expectation with all our customers through continuous improvement and sustained performance. We include and value our suppliers as partners and a critical link toward achieving these goals.

Cadillac Products Automotive Company monitors quality and delivery records and documents as key performance indicators.

- 1.) Delivery performance is measured as a percentage of on-time deliveries to schedule for given period.
- 2.) Quality performance is rated as the percentage of shipments in which there are no Purchasing Concern Reports (PCR) issued.
  - a. **Purchasing Concern Report (PCR)** - a PCR is a corrective action notification that is issued if inadequate quality occurs or if delivery dates are missed requiring immediate supplier response

Suppliers are assigned the following categories:

	<b>On-time Delivery</b>	<b>Quality</b>
Approved - Preferred	100%	95-100%
Approved	90-99%	85-94%
Needs Development	< 90%	< 85%

If a supplier's delivery or quality percentage rating is less than the category minimum the supplier will be rated at the lower category.

Commercial performance, risk management, compliance and responsiveness and problem-solving skills are all taken into consideration when deciding whether to continue or award business.

## Purchasing Concern and Supplier Corrective Action

**A Purchasing Concern Report (PCR)** is initiated for supplier response when it is determined that it is necessary to formally address a quality or delivery concern. Not all problems require corrective action or PCR.

PCRs are initiated by the plant quality manager or plant quality coordinator and presented to Buyer for corrective action resolution with the supplier. The buyer will submit the PCR to supplier immediately upon receipt from plant quality.

Supplier must submit an initial response within 24 hours acknowledging receipt of the PCR and acknowledging investigation into containment and corrective action.

Root-cause identification and corrective action response must be resolved immediately if it is determined that production is at risk. Typical cause and corrective action are to be completed within 15 days or less.

The supplier will be charged for losses due to equipment downtime or part sorting.

## Purchasing Concern and Supplier Corrective Action Continued

**Cost Recovery:** If defects are found and time allows you will be given the option to inspect and confirm the quality defect or to have products returned and replaced at your expense.

CPAC reserves the right to back charge suppliers for costs associated with defective materials that may include shut down costs, premium freight expenses, customer rejects, excessive problem solving, travel, and other remedies.



Sourcing Survey  
CPAC.doc

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**Supplier Manual and T&C's are found on our website under "Contact Us"**

