



## Vendor Quality Manual

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**SCOPE:**

This document is in addition to, or in conjunction with, any other requirements that may be referenced on individual purchase orders or in the Vendor Code of Conduct and Purchase Order Term & Conditions listed on our website: [www.AnchorHarvey.com](http://www.AnchorHarvey.com).

Anchor Harvey's expectations are that vendors establish and maintain a Quality Management System (QMS). The QMS should emphasize the following critical elements:

- A. QUALITY POLICY** – A written commitment by vendor management personnel towards continuous quality improvement as well as customer satisfaction. This may be in the form of a company mission statement or a company quality policy.
- B. DOCUMENT CONTROL** - Vendors should establish and maintain a well-defined procedure to control all documents that relate to product and process requirements, utilized while processing our parts or providing a service to Anchor Harvey. The information shall include detailed statements referencing a quality policy and quality objectives, a quality manual, procedures, and documents needed by the vendor to ensure the effective planning, operation, and control of its processes and records take place. Documents should include, but may not be limited to, engineering drawings (latest revision), inspection / test records, work instructions, and operational procedures. Documents can be created and saved in any type of media, such as hard copy or electronic format. All certifications, test reports, and inspection reports, as well as receiving inspections and calibration records shall be retained for a minimum of ten (10) years, unless otherwise specified by Anchor Harvey, and shall be made available to Anchor Harvey, its customers, or regulatory agencies upon request.

Document control shall include:

- The review and approval of documents by authorized personnel prior to issue
  - The assurance that pertinent issues of all appropriate documents are available at all operational locations
  - The assurance that obsolete documents are promptly removed from all points of use and destroyed or suitably identified as obsolete
  - The establishment and maintenance of records which provide evidence that product has been inspected and/or tested. Records should clearly show whether product has passed or failed inspection criteria. The records should identify the inspection authority responsible for disposition and release of product.
- C. WORK INSTRUCTIONS** – The vendor shall prepare documented work instructions for each process. These instructions are to be accessible at all appropriate workstations and include, or reference as an example, the following items as applicable:
    - Operation name
    - Part name and/or number
    - Engineering print name, number and/or revision level, and date
    - Required equipment and gages
    - Inspection and test instruction
    - Nonconformance instructions
    - Tool change and set-up instructions
    - Equipment and tooling maintenance
  - D. CONTROL PLAN** – Vendors shall develop and provide an acceptable Control Plan for each part supplied to Anchor Harvey if requested. The plan must be designed to identify the significant and major characteristics based on function, design, manufacturing process, and potential problems associated with the part.

The vendor Control Plan could include:

- Product name
- Anchor Harvey part number / description
- Product characteristics
- Specification and tolerance / measurement technique
- Sample size and frequency of inspection
- Control method / reaction plan to nonconforming conditions
- Revision level and date
- Signature of approval by the Quality Manager or appropriate quality representative

**E. IN-PROCESS INSPECTION** – written documentation and recorded data that show actual recorded inspection results of dimensions, and time of measurement. The vendor is responsible for the validation and periodic revalidation, of the ability to achieve planned results of the processes for production, where the resulting output cannot be verified by subsequent monitoring or measurement. This includes any special requirements, critical items, or key characteristics. The vendor shall use a sampling plan for product acceptance, consistent with typical industry standards, unless otherwise specified or agreed upon by Anchor Harvey.

All processes and machines used in the production of goods shall be calibrated at appropriate intervals, which will be confirmed with submission of C of Cs as indicated in the section titled “**HANDLING, STORAGE, & PACKAGING**” of this document. The vendor shall maintain a quality/inspection system that ensures all goods and services conform to contract requirements whether manufactured or processed by the vendor or from their sub-tier providers.

When required, in-process inspection procedures shall provide for the following:

- Inspection and testing in accordance with the Control Plan and/or documented procedures
- Establishing and maintaining records which provide evidence that the product has been inspected and/or tested including records that clearly show whether the product has passed or failed inspection criteria. The records shall identify the inspection authority responsible for disposition and release of product.
- Must have evidence of a product and/or process measurement system in place
- When requested by Anchor Harvey or its customer, the vendor shall provide test specimens for inspection/verification, investigation and/or auditing purposes. Unless otherwise stated on the purchase order, the latest specifications revision in effect at the time the lot of raw materials/parts were originally manufactured or processed shall apply. In the event that a document has been superseded, the latest revision of the superseding document shall apply.
- Final inspection and testing in accordance with the Control Plan and/or documented procedures to ensure conformance of the finished product to specified requirements for both vendor-processed products as well as sub-tier external providers offering goods or services on behalf of the vendor

**F. AUDIT INSPECTION** – written procedures that define both in-process auditing/inspection and verification audits/records of outgoing product. Quality records shall be maintained to demonstrate conformance to specified requirements and the effective operation of the quality system. When required, Quality records shall be made available to Anchor Harvey upon request.

**G. INTERNAL CORRECTIVE ACTION PROCEDURES** – written procedures that define internal corrective actions for nonconformance to engineering specifications, or quality standards.

Vendors shall establish and maintain documented procedures for implementing internal corrective and preventive actions.

When required, Internal Corrective Action Procedures shall Include:

- Identification of in-house nonconformance and detailed explanation of how corrections will be made before shipment of product occurs
- Investigation into the root cause of the nonconformity
- Determination of the corrective action needed to eliminate the root cause
- Application of controls to ensure internal corrective action is implemented and effective

**H. FOD** – the vendor shall establish and maintain a documented process to control foreign objects found within their supply chain.

- **“Foreign Object Detection”** – the intentional and systematic methods used to discover foreign objects in product before processing, delivery, or use
- **“Foreign Object Debris”** – objects which do not belong in completed product, and which may cause damage to product or related systems if not removed; in short, “anything that does not belong in the product”
- **“Foreign Object Damage”** – the damage caused by debris which is not discovered and removed before the product is processed

**I. COUNTERFEIT PART CONTROL** - the vendor shall establish and maintain a documented process to control counterfeit parts. Counterfeit product may constitute a material breach of the agreement between the vendor and Anchor Harvey causing unethical behavior to exist which is unacceptable and potentially dangerous. It is the responsibility of the vendor to act in an ethical manner in all circumstances while processing parts for Anchor Harvey. See **ETHICAL BEHAVIOR** section.

- **Counterfeit Material** – Fraudulent material that has been confirmed to be a copy, imitation, or substitute that has been represented, identified, or marked, as genuine, and/or altered by a source without legal right with intent to mislead, deceive, or defraud.
- **Counterfeit Material Controls** – To prevent the use of counterfeit or suspect/unapproved product and to ensure product identification and traceability, the vendor shall institute controls that include employee training on the effect and identification of counterfeit/suspect parts, the requirement of Material Certificates, Certificates of Conformity, and/or other supporting documentation as appropriate.

**J. NONCONFORMING PRODUCT** – The vendor shall establish and maintain documented procedures to ensure nonconforming or suspect product is prevented from shipment. Vendor’s responsibility includes an acknowledgement that product conformity and product safety are held in high regard. Vendor contribution to ensuring that all product is conforming, and safety is instilled in the processing of parts is critical to a successful partnership between the vendor and Anchor Harvey. All nonconforming product (including any scrap parts) shall be promptly reported to Anchor Harvey and held until Anchor Harvey provides disposition.

The procedure for nonconforming product shall include:

- A control system for nonconforming product providing identification, documentation, segregation, evaluation, and disposition of the nonconforming product
- The responsibility for review and authority for the disposition of nonconforming product
- Repair and/or rework must be performed to documented procedures that have been approved by Anchor Harvey. The rework procedures shall be accessible and utilized by the appropriate personnel. If applicable, any repair and/or reworked product shall be reinspected to original acceptance criteria and in accordance with the Control Plan or documented procedure.

## TYPE AND EXTENT OF THE VENDOR RELATIONSHIP

Inherent in the relationship between Anchor Harvey and our vendors is the willingness of vendors to assume responsibility for the quality of the processed parts as defined through the print or other specifications. The vendor shall ensure that employees and people working on their behalf are competent and trained in accordance with the requirements of AS9100, where applicable. In the event that problems arise during production, the vendor is expected to cooperate fully in the investigation into the problem, identification of the root cause, and the implementation of a proper corrective action.

Vendors agree that with reasonable notice, Anchor Harvey shall be allowed access to applicable areas of the vendor facility and to applicable documented information related to the processing of Anchor Harvey product as requested for the purpose of conducting an on-site inspection. The on-site inspection may include review of the production methods, processes, and the vendor's quality management system. The vendor shall furnish, at no cost, the necessary data as required by applicable purchase orders, specifications, and inspection instructions to facilitate the on-site inspection.

Vendors shall notify Anchor Harvey proactively and immediately of any changes in ownership or management. Vendors shall also notify and obtain approval from Anchor Harvey for changes to processes, products or services, including changes of their external providers or location of manufacture as they relate to any Anchor Harvey product.

Vendors shall flow-down to sub-tier vendors any and all applicable requirements as listed on the purchase order either specifically or by reference. Anchor Harvey purchase orders provide information on the processes, products, and services to be provided including the identification of relevant technical data (ie. specifications, drawings, process requirements, work instructions, reference documents, etc.). Any questions about details on a purchase order or possible detail omissions shall be immediately brought to the attention of the sender at Anchor Harvey.

## VENDOR CORRECTIVE ACTION RESPONSE

The Vendor Corrective Action Response is a summary report of the actions taken or planned in response to a quality failure that occurs at some point in the supply chain – most often while parts are being processed at the vendor location – and identified by Anchor Harvey, the vendor, or the end customer.

Typically, a Vendor Corrective Action Response must be submitted to Anchor Harvey within ten (10) business days from initial notification of the issue. Unavoidable delays in responding must be communicated to Anchor Harvey upon identification of the issue(s).

Response time to a Vendor Corrective Action will be documented and may be used in the rating of Anchor Harvey's vendor performance.

### Vendor Corrective Action Response Requirements:

**Containment** – Define what immediate containment actions have been taken on product affected by the situation and include the effective date of such action

**Root Cause** – Define the primary root cause of the failure, and why the cause was not detected earlier/by the vendor

**Correction** – Define what immediate corrective action has been taken or what actions are planned to immediately correct the cause of the failure, plus effective date

**Verification** – Document the effectiveness of the action showing that the correction has resolved the issue

## **HANDLING, STORAGE, & PACKAGING**

Vendors shall establish and maintain a system for the handling, storing, and packaging of product going back to Anchor Harvey or its customers. The system shall include:

- Plan for shipment of product on time as required on the P.O. and subsequent acknowledgement
- Submission of required documents prior to, or with receipt of, product.
- Product must be identified with a pack slip listing the following detail, if available:
  - Vendor name
  - Anchor Harvey part number
  - Ship date
  - Quantity
  - P.O. number

Each supplied order shall be accompanied by one legible copy of a certificate of analysis (C of A) or a certificate of conformance (C of C) if requested by Anchor Harvey. Material certifications shall show quantitative analysis of each element and physical testing as required by specifications referenced. Traceability for raw material is required and shall be retained and provided to Anchor Harvey with the product. Final acceptance of raw material shall be at Anchor Harvey after receiving inspection has taken place.

Vendors must have explicit approval from Anchor Harvey prior to shipment of all products. Parts shipping directly to an Anchor Harvey customer may have alternate packaging or labeling requirements as indicated by the purchase order or supply chain personnel when tendering the P.O. to the vendor.

## **PRODUCT SAFETY**

The vendor shall support product safety by ensuring robust management of special requirements, critical items, and key characteristics. If there are concerns with respect to product safety, the vendor shall communicate them immediately to Anchor Harvey. If there is a concern at the vendor's premises with respect to safety during the handling or processing of the product the vendor shall notify its own employees, management, and leadership team members of the situation and, whenever possible, mitigate the risk. The vendor shall ensure that employees and those working on its behalf are aware of their contribution to product safety, product or service conformity, and the importance of ethical behavior at all times.

## **ETHICAL BEHAVIOR**

The vendor shall be committed to the highest standards of ethics and business conduct, and shall comply with the law, honor commitments, act in good faith, and be accountable. The vendor shall not offer, promise, authorize, or provide, directly or indirectly, anything of value (including business gifts and courtesies) with the intent or effect of inducing anyone to engage in unfair business practices and shall avoid involvement in activities that may be perceived as a conflict of interest. The vendor shall respect the legitimate proprietary rights and intellectual property rights of customers and sub-tier vendors, taking proper care to protect sensitive information, including confidential, proprietary and personal information.

## **VENDOR EVALUATION**

Anchor Harvey shall periodically review vendors based on quality, delivery and/or service. Vendors may be issued corrective actions as a result of performance which does not meet an acceptable standard. Anchor Harvey outlines the performance standards as Gold (a vendor scorecard equaling 95% or higher), Silver (a vendor scorecard equaling 85% - 94%) and Bronze (a vendor scorecard equaling 75%-84%). Performance below 75% is considered unacceptable and corrective action may be implemented to address the concern. Significantly poor performance by a vendor shall be reviewed at Anchor Harvey's Management Review meetings for additional action at the company's discretion.

Vendors with a Gold status are considered the best partners to award new business to when offered opportunities to grow. Vendors with a Silver status are considered possible outlets for new business depending on the significance of the new opportunity and the ability of the vendor in question. They have to be vetted carefully before new business opportunities are sent their way. Vendors with a Bronze status are only considered for new business opportunities if there are no other options with equally strong capabilities to quote the work.

#### **CONTINUOUS IMPROVEMENT:**

A strong continuous improvement philosophy should be evident throughout the vendor's organization. Steps should be taken to measure current performance and compare the present situation to future goals of improved performance (i.e., year-over-year improvements, etc.). Opportunities for improvement should be identified, and action should be taken to show progress toward the goals that have been set.

Version	Date	Issuing Authority	Description of Change
A	12/2/2019	Quality Manager	Initial Release
B	6/28/2024	Supply Chain Manager	Periodic review and update of verbiage to reflect current state
C	10/17/2024	Supply Chain Manager	Updated AS9100 requirements into the document
D	12/6/2024	Supply Chain Manager	Changed document retention period to align with internal requirements
E	4/15/2025	Supply Chain Director	Revised scope, allowing vendors to share with sub-vendors Removed signature page, amended PO verbiage