

Supplier Quality Policy

Scope

This policy and its exhibits define the minimum mandatory quality requirements for all UTC Building & Industrial Systems (BIS) suppliers of product or services. Full requirements are detailed in the BIS Supplier Quality Manual.

Expectations

Perfect parts, on time, at the right cost, and produced safely

Quality system: The supplier shall maintain a quality system that meets or exceeds ISO9001, AS9100, or TS16949 and is certified by an accredited third-party certification body.

EHS: BIS encourages Environmental, Health and Safety Systems that comply with ISO14001 and OHSAS18001, but at a minimum must be in compliance with UTC EH&S expectations

Sub tier suppliers: The supplier shall ensure their sub tier suppliers are in compliance to all BIS purchase order and specification requirements.

Product development: Advanced quality planning methods shall be used for product development and product transitions (including sub-tier suppliers) and should be in accordance with the Advanced Product Quality Planning (APQP) and Control Plan manual published by the Automotive Industry Action Group (AIAG).

Product quality: The AIAG Production Part Approval Process (PPAP) process should be the basis used to validate all requirements are met and the process is capable of producing product consistently.

Production release: BIS will identify specific part PPAP requirements. A Parts Warrant (PSW) must be submitted and approved by BIS prior to release of production product (this can be a full or interim approval).

Product & process changes: Change shall be managed to prevent interruptions and quality problems. BIS must be notified of changes in advance and must approve prior to implementation.

Visual factory: Supplier factories shall be visual and comply with world class 5S practices.

Training: Supplier employees shall be properly trained and be product/process knowledgeable.

Defective product: Notify BIS within 24 hours if defective product has been delivered. Implement containment immediately. Reply to an 8D corrective action response within 5 business days and final corrective action response within 30 days. **At no time is supplier allowed to ship known non-conforming product without prior written approval.**

Cost of poor quality: Costs incurred by BIS as a result of a supplier defective product will be the responsibility of the supplier.

Epidemic quality problem: Epidemic quality problems indicating a failure of the quality system shall require a BIS approved third-party to be retained at the supplier's expense to over-inspect product, assess the quality system, and recommend a quality improvement plan to be implemented by the supplier.

BIS Key Characteristics: BIS will document key characteristics on its technical data.

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A supplier may also identify additional key characteristics beyond those defined by BIS. **This is required for suppliers with design responsibility.**

Supplier Gold: UTC's Supplier Gold Program is a method to differentiate suppliers currently operating with high delivery and quality performance levels. All key suppliers are expected to be at the "Performing" or "Gold" levels. Suppliers who are not operating at least to the "Performing" level shall prepare an improvement plan for review with BIS.

BIS Supplier Code of Ethics: Suppliers are to comply with the UTC Code of Ethics

Deviations to Requirements: Any exceptions to this Supplier Quality Manual or its exhibits require prior approval via a formal Supplier Deviation Request (SDR)

Exhibits

Exhibit 1 – BIS Supplier Quality Manual