

	<h1>Supplier Requirements Manual</h1>	Revision Level F Date: 2026.05.11	Page 1/17	Document Number QP-4.6-0023	Approval: Supplier Management
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Introduction

We value the partnership we form with our suppliers and recognize that our suppliers are key to long-term growth in our business. Our expectations from our suppliers are identical to those expected by our customers.

Purpose

This Supplier Requirements Manual describes the Supplier's obligations to Brighton NC Machine (BRIGHTON NC MACHINE). Because purchased materials, parts, products and services affect every part and assembly shipped by us, these obligations are to ensure that the Supplier can and does conform to Brighton NC Machine's quality requirements and is committed to customer satisfaction through continuous improvement of its processes and product.

Scope

This Manual (as it may be amended) shall be incorporated into each contract agreement issued by Brighton NC Machine to the Supplier. The Supplier's sale of any goods and/or services to Brighton NC Machine constitutes acceptance of the applicable purchase order (PO) (including this Manual). Obligations of the Supplier contained in this Manual may only be modified or waived by a Brighton NC Machine Executive Representative (i.e. Quality, Material Control, or Supplier Development) in writing.

Contacts

Quality/Supplier Manager:	Amy Ohler	810-227-6190
Material Control:	Jason Burianek	810-227-6190
Business Development:	Kim Finneran-Lyons	810-227-6190

Purchasing Philosophy

It is Brighton NC Machine's intention to team with suppliers that are committed to and deliver quality products on time. These suppliers shall support Brighton NC Machine's goals by consistently providing defect free products delivered on time, taking a proactive approach to continuous improvement, and reacting quickly to their collective needs.

At Brighton NC Machine, we prioritize Quality, Delivery, Value, and Service as key factors in the evaluation of all potential suppliers. This assessment occurs both prior to soliciting quotations and throughout the duration of our purchase contracts.

It is imperative that any new supplier demonstrates the capability to produce enhanced products, reduce existing costs, or provide other distinct advantages. To ensure we consistently improve both the quality and cost-effectiveness of our products, we are actively seeking additional suppliers who can offer optimal value.

Values and Beliefs

At Brighton NC, we are committed to upholding our core values and beliefs. We are dedicated to conducting all our activities in a fair, ethical, and professional manner. It is our policy to maintain relationships with suppliers that are grounded in legality, ethical standards, and sound business practices. We firmly believe that we can contribute to the advancement of a sustainable society through your understanding and commitment to the principles of Corporate Social Responsibility. This approach enables us to operate in a manner that is economically, socially, and environmentally sustainable.

To this end, we kindly ask that you ensure full compliance with the following items:

Environmental Practices

Environmental practices are the concrete actions we take to fulfill our commitment to environmental sustainability. They are designed to minimize our environmental impact and promote sustainable operations.

	<h2>Supplier Requirements Manual</h2>	Revision Level F Date: 2026.05.11	Page 2/17	Document Number QP-4.6-0023	Approval: Supplier Management
---	---------------------------------------	--	--------------	--------------------------------	----------------------------------

A. Resource Management

Resource management is a key aspect of environmental practices. It involves using our resources, energy, water, and materials—in the most efficient and sustainable way possible.

1. **Energy Efficiency:** Suppliers should work towards implementing energy-efficient practices in all aspects of their operations. This includes optimizing their use of lighting, heating, cooling, and equipment in their facilities. Suppliers should also explore renewable energy options, such as solar or wind power, where feasible. Regular energy audits need to be conducted to identify opportunities for energy conservation.
2. **Water Conservation:** Water is a precious resource, and suppliers should be committed to using it responsibly. Suppliers should try to implement water-saving measures in their facilities, such as low-flow faucets and toilets, and water (recycling). Suppliers should also strive to reduce water usage in their manufacturing processes, if applicable.
3. **Waste Management:** Suppliers should be committed to reducing waste generation through a comprehensive waste management strategy. This includes minimizing waste production at the source, recycling and reusing materials where possible, and ensuring responsible disposal of waste. Suppliers should also explore opportunities for waste-to-energy conversion where feasible.

****This segment delves into the specific aspects of air quality management that align with applicable environmental commitments. Air quality is a crucial environmental issue that affects the health and well-being of communities, ecosystems, and employees.**

Air Quality Control: Suppliers' operations should prioritize air quality control by implementing measures to reduce emissions and air pollutants. Suppliers should continuously monitor the air quality at their facilities to ensure compliance with environmental standards. Utilizing advanced filtration systems and adopting cleaner production technologies are some of the key initiatives to undertake to maintain superior air quality.

Reducing Emissions: Suppliers should be committed to minimizing emissions by adopting innovative approaches and technologies. This commitment includes investing in cleaner energy sources, optimizing production processes to lower emission levels, and frequently upgrading our equipment to the most efficient models available.

Noise emissions: Noise emissions represent a significant environmental concern, impacting both human health and wildlife. Managing noise emissions involves understanding their sources, assessing their effects, and implementing strategies to mitigate them. Suppliers should be committed to reducing noise pollution through various initiatives.

Identification and Assessment: First steps are to identify the primary sources of noise within the operations. This includes machinery and industrial processes. Suppliers should conduct regular noise assessments to evaluate the extent of noise pollution and its impact on surrounding communities and ecosystems.

Monitoring and Compliance: Continuous monitoring of noise levels ensures compliance with environmental regulations and standards. Suppliers should use advanced monitoring equipment to collect data and analyze trends, allowing them to adapt to strategies as needed to maintain regulatory compliance and protect community well-being.

Through these actions, Supplier should try to strive to minimize noise pollution, protect public health, and contribute to a more peaceful environment for all.

Soil Quality on site: Soil quality is a crucial aspect of environmental sustainability on manufacturing sites. The health of the soil affects local ecosystems, water quality, and plant life, ultimately influencing both the environment and community well-being. Ensuring soil quality involves several key practices that align with environmental commitments.

	<h2>Supplier Requirements Manual</h2>	Revision Level F Date: 2026.05.11	Page 3/17	Document Number QP-4.6-0023	Approval: Supplier Management
---	---------------------------------------	--	--------------	--------------------------------	----------------------------------

Contamination Prevention: Suppliers should prioritize preventing soil contamination through diligent management of raw materials and waste. This includes the use of containment systems to prevent spills, as well as safe storage practices for hazardous substances. By minimizing the risk of pollutant leaks, we protect the soil from chemical degradation.

Remediation Initiatives: In cases where soil contamination is detected, Supplier should implement remediation strategies to restore soil health. These may include bioremediation techniques, such as using microorganisms to break down pollutants, or soil washing to remove contaminants. The goal is to bring the soil back to its natural state, supporting a healthy ecosystem.

Vegetation and Landscaping: Promoting vegetation growth and responsible landscaping contributes to improved soil quality. Native plants are encouraged as they require less water and provide resilience against erosion. Additionally, green spaces enhance biodiversity, improving the overall environmental quality of the site.

Through these measures, suppliers should aim to maintain high soil quality standards and support a sustainable environment. Protecting soil health not only aligns with environmental responsibilities but also ensures the longevity and safety of manufacturing operations.

Greenhouse gas (GHG) emissions: Greenhouse gas (GHG) emissions play a critical role in the global challenge of climate change. These gases, including carbon dioxide, methane, and nitrous oxide, trap heat in the earth's atmosphere, leading to global warming and its associated impacts.

Environmental strategies include several initiatives to address and reduce GHG emissions from operations. Below are some of the key actions suppliers should be undertaking:

- **Energy Efficiency:** Continuously seeks to increase energy efficiency across facilities by modernizing machines, optimizing processes, and reducing energy waste. By doing so, we not only lower costs but also decrease carbon emissions.
- **Renewable Energy Deployment:** Transitioning to renewable energy sources is a cornerstone of emission reduction strategies. Invest in solar panels, wind turbines, and other renewable technologies to replace the reliance on fossil fuels.
- **Sustainable Transportation:** Logistics operations should aim to minimize emissions by optimizing delivery routes by reducing carbon footprint significantly.
- **Carbon Offsetting:** When emissions cannot be eliminated, suppliers should engage in carbon offsetting projects, such as reforestation and renewable energy developments, to compensate for their carbon footprint.
- **Innovation and Research:** Suppliers should support research in carbon capture and storage (CCS) technologies to explore new ways of tackling emissions at their source.

Through these initiatives, Suppliers should be committed to reducing their GHG emissions and contributing to a more sustainable future. Tackling greenhouse gas emissions not only aligns with global climate goals but also ensures the long-term viability of operations and the health of the planet.

B. Sustainable Procurement

Sustainable procurement is about making purchasing decisions that have positive social, economic, and environmental impacts. Through sustainable resource management.

- **Evaluate Your Suppliers:** Assess the environmental performance of your suppliers as part of your procurement process. Suppliers with strong environmental credentials should be given preference.
- **Choose Sustainable Products:** Prioritize products and services that have a lower environmental impact over their life cycle. This includes considering factors such as energy efficiency, durability, use of recycled materials, and end-of-life disposal when making purchasing decisions.

	<h2>Supplier Requirements Manual</h2>	Revision Level F Date: 2026.05.11	Page 4/17	Document Number QP-4.6-0023	Approval: Supplier Management
---	---------------------------------------	--	--------------	--------------------------------	--------------------------------------

- **Encourage Suppliers:** Work with your suppliers to encourage them to adopt sustainable practices. This could involve providing incentives for suppliers who demonstrate improvements in their environmental performance.

C. Employee Engagement

Employees play a crucial role in environmental sustainability efforts. Suppliers should believe that fostering a culture of sustainability requires the participation and commitment of all employees.

- **Educate Employees:** Provide regular training and resources to help employees understand environmental issues and how they can contribute to your sustainability efforts. This could include workshops, seminars, or online training modules.
- **Encourage Participation:** Create opportunities for employees to participate in your environmental initiatives. This could include volunteering for environmental clean-up activities, participating in recycling programs, or contributing ideas for improving your environmental performance.
- **Recognize Contributions:** Recognize and reward employees who make significant contributions to your environmental sustainability efforts. This could include awards, public recognition, or other incentives.
- By complying with laws and regulations of countries and regions concerning the prevention of pollution of air, water, and soil, etc
- By preventing environmental contamination through continuous monitoring and reduction of pollutants
- By not using prohibited chemical substances in manufacturing processes
- Regarding chemical substances that are specified by laws and regulations of countries and regions, monitor their emission volumes and report to governmental agencies.

2. Human Rights Responsibility

As a fundamental operating principle, suppliers to Brighton NC Machine shall strive to respect human rights wherever they do business. Suppliers shall be committed to doing no harm, to avoiding infringing on the human rights of others, and to addressing adverse human rights impacts where they may be caused, contributed by, or linked to their activities.

Suppliers shall:

- Seeking to avoid causing or contributing to adverse human rights impacts through their own activities and addressing such impacts if they do occur in a timely and appropriate manner.
- Seek to prevent or mitigate adverse human rights impacts that are directly related to their operations, products and services through their business relationships.
- If suppliers identify that they have caused or contributed to adverse human rights impacts, provide for or cooperate in their remediation through legitimate processes; and,
- Continue to look for ways to support the promotion of human rights within their operations and their sphere of influence.

Suppliers' commitment shall be guided by the principles set forth in laws of United States or region of location governing human rights, as well as in the following international standards:

- Universal Declaration of Human Rights.
- International Covenant on Civil and Political Rights.
- International Labor Organization's (ILO's) Declaration on Fundamental Principles and Rights at Work.
- United Nations (UN) Guiding Principles on Business and Human Rights.

Where national law and international human rights standards differ, suppliers shall follow the higher standard; where they are in conflict, suppliers shall adhere to national law, while seeking ways to respect international human rights to the greatest extent possible.

Assessing human rights, risks and impacts

Suppliers shall recognize that they must take steps to identify and address any actual or potential adverse impacts with which they may be involved whether directly or indirectly through their own activities or their business relationships. Suppliers shall manage these risks by integrating the responses to their due diligence into their policies and internal systems, acting on the findings, tracking their actions, and communicating with their stakeholders about how suppliers shall address impacts.

	<h2 style="margin: 0;">Supplier Requirements Manual</h2>	Revision Level F Date: 2026.05.11	Page 5/17	Document Number QP-4.6-0023	Approval: Supplier Management
---	--	---	---------------------	---------------------------------------	---

Due diligence process to identify, prevent, mitigate, account and remediate human rights impacts.

Suppliers shall understand that human rights due diligence is an ongoing process that requires particular attention at certain stages in their business activities, such as when suppliers form new partnerships or their operating conditions change, as these changes may create new potential or actual impacts on human rights. Suppliers shall understand that this means that suppliers must put in place additional due diligence measures to assess these risks and address them effectively, where appropriate, using their leverage to work either in one-to-one relationships or in broad-based partnerships. Suppliers shall recognize the importance of dialogue with their employees, workers and external stakeholders who are or could potentially be impacted by their actions. Suppliers shall pay particular attention to individuals or groups who may be at greater risk of negative human rights impacts due to their vulnerability or marginalization and recognize that women and men may face different risks.

Remedy

Suppliers shall place importance on the provision of effective remedy wherever human rights impacts occur through company-based grievance mechanisms. Suppliers shall continue to build the awareness and knowledge of their employees and workers on human rights, including labor rights, by encouraging them to speak up, without retribution, about any concerns they may have, including through their grievance channels. Suppliers shall be committed to increasing the capacity of their management to effectively identify and respond to concerns. Suppliers shall also promote the provision of effective grievance mechanisms by their suppliers.

Monitoring human rights impacts

Suppliers shall seek to establish relationships with entities that share the same principles and values. Suppliers shall promote human rights awareness and respect along their value chain, including the adoption of legal contractual clauses. Suppliers shall seek to monitor their human rights performance and the performance of their suppliers.

Suppliers' definitive human rights acknowledgement:

Suppliers will Not utilize or fail to acknowledge:

- Child Labor and young workers
- Compulsory Labor (Modern Slavery)

Suppliers will Not fail to acknowledge:

- Women's Rights
- Rights of Minorities and Indigenous Peoples
- Freedom of association and collective bargaining
- Land, forest and water rights and forced eviction.
- Use of private or public security forces.

Supplier acknowledges and will utilize where available and/or applicable:

- Fair Wages and Benefits,
- Fair Working Hours
- Ethical Recruiting
- Non-discriminative
- Diversity, Equity, and Inclusion

3. Philanthropic Responsibility: By representing your company's commitment to society, by demonstrating that you value the community beyond simply providing a workforce or source of revenue, e.g. funding educational programs, supporting health initiatives, donating to causes, supporting community projects, etc.)

4. Economic Responsibility

- By improving business operation while participating in sustainable practices – for example, using a new manufacturing process to minimize wastage.
- By committing to creating economic value for clients, communities, and society in general. Working to provide solutions that solve business challenges and achieve financial goals.

Fair Competition and Anti-Trust

To ensure there's fair competition, most countries have competition or antitrust laws that regulate the activities of companies in the marketplace. They specifically prohibit:

- any anticompetitive agreements and/or arrangements.

	<h2>Supplier Requirements Manual</h2>	Revision Level F Date: 2026.05.11	Page 6/17	Document Number QP-4.6-0023	Approval: Supplier Management
---	---------------------------------------	--	--------------	--------------------------------	----------------------------------

- the sharing of commercially sensitive information between competitors (unless it's been legally approved and appropriate measures put in place).
- abuses of dominant market positions.
- certain restrictions imposed on or agreed with distributors and other customers.

Employees, suppliers, and customers should inspire trust by taking responsibility, acting ethically and complying with competition and antitrust laws.

What we expect from you

We expect you to:

- Ensure that when you are bidding/quoting, developing your proposals, or undertaking contract negotiations for your facility and our customers that all statements, communications, and representations are accurate and truthful.
 - Only use business information that has been obtained legitimately and can be used lawfully.
 - Not sharing with us information you receive from or about our competitors.
 - Never commit to an agreement that fixes prices, controls supply, allocates markets or boycotts customers or suppliers.
 - Never exchange commercially sensitive information with third parties on topics such as prices, production capacities or output, sales volumes, costs, profits and profit margins, customers, suppliers, markets, territories, tenders, or bids without proper agreements in place.
 - Never do anything that might be considered 'bid/quote rigging' (for example, submitting a 'sham' bid or declining to bid in return for gain or advantage elsewhere).
 - Never use influence to intimidate anyone or coerce anyone into anti-competitive behavior.
 - Not using any position of influence gained through a contract to unfairly disadvantage any other supplier or reducing the potential for future competition, for example by creating a technical solution that locks in the customers own goods or services.
- Report anti-competitive behavior if you see it or suspect it.

What commitments Brighton NC Machine expects for their suppliers:

Committed to:

- Never try to gain an unfair competitive advantage.
- Free and open competition in our markets. We compete fairly and ethically, and support laws that promote and protect competition.
- Never suggest or imply that our suppliers or customers must buy products or services from us.
- Ensuring meetings with competitors have a legitimate purpose and are properly documented.
- Ensuring the decisions we make about pricing, customers, bids and markets are taken by us alone.
- By obtaining personal or confidential information concerning employees, customers and business partners only by legitimate methods, while managing and protecting such information

Direction for Information Security / Disclosure of Information / Intellectual Property

Information Security Policy/ Disclosure of Information: Supplier shall implement a written information security policy that is:

- comprehensive, addressing the information security, accidental disclosure of information, accidental release of Intellectual property (product designs) risks and controls identified through the Risk Assessment process, for each area of information security, accidental disclosure of information, accidental release of Intellectual property (product designs) (i.e., user access, system development and change, business continuity, etc.) (and supplemental policies should be developed and implemented as appropriate);
- reflects the requirements of applicable law, including Data Protection laws;
- approved by management.
- published and communicated to all employees and applicable third-party contractors; and
- annually reviewed and updated to address

	<h2>Supplier Requirements Manual</h2>	Revision Level F Date: 2026.05.11	Page 7/17	Document Number QP-4.6-0023	Approval: Supplier Management
---	---------------------------------------	--	--------------	--------------------------------	----------------------------------

- relevant organizational changes,
- contractual requirements owed to Brighton NC Machine,
- identified threats or risks to information assets, and
- relevant changes in applicable laws and regulations.

Information Security Management Program: Supplier shall have a specific function, composed of suitably qualified information security specialists, to lead the information security management program. The specific function shall be ratified and supported by Supplier’s business leadership. Responsibilities shall include:

- developing and maintaining the security policy and any supplemental requirements; and
- identifying accountability for the execution of information security activities.

Personnel Confidentiality Obligations.

Supplier management shall require employees and third-party contractors with access to Brighton NC Machine Data to commit to written information security, confidentiality, and privacy responsibilities with respect to that information. These responsibilities must be binding and shall survive termination or change of employment or engagement. Conflicting duties and areas of responsibility shall be segregated to reduce opportunities for unauthorized or unintentional modification or misuse of Brighton NC Machine Data.

Corporate Social Responsibility Non-Compliance

Action in the event of non-compliance-In the event of any violation or serious incident in the business activities of their suppliers, suppliers shall require suppliers to immediately report the infraction to us. BRIGHTON NC MACHINE will review the Supplier’s report and will request the full details of the investigation, including its cause and results. In addition, suppliers shall request the Supplier to submit in detail the countermeasures taken to prevent a recurrence. If appropriate measures are not taken, suppliers shall take actions such as suspending business relations.

**Anti-corruption and anti-money laundering (AML) policy for a supply chain
Suppliers should follow the Policy Break down below:**

1. Develop a Comprehensive Policy:

Clear Guidelines: Establish a written policy outlining the company's commitment to combating corruption and money laundering.

Risk Assessment: Identify and assess corruption and money laundering risks within the supply chain, including the geographical locations and sectors where the company operates.

Transparency and Documentation: Ensure all transactions are documented and transparent, with proper records of payments, invoices, and receipts.

2. Due Diligence and Supplier Screening: Supplier Vetting: Conduct thorough due diligence on all suppliers, including verifying their identity, legal structure, and beneficial ownership.

Sanctions Screening: Screen suppliers and related parties against relevant sanctions lists and other restricted party lists.

Enhanced Due Diligence (EDD): Apply enhanced due diligence to suppliers in high-risk areas or those involved in complex transactions.

Monitoring and Auditing: Establish ongoing monitoring and auditing processes to ensure compliance with the policy and identify potential risks.

3. Internal Controls and Procedures: Segregation of Duties:

Implement segregation of duties to prevent any single individual from having excessive control over financial transactions.

Training and Awareness: Provide training to employees on the policy, procedures, and how to identify and report suspicious activity.

	<h2>Supplier Requirements Manual</h2>	Revision Level F Date: 2026.05.11	Page 8/17	Document Number QP-4.6-0023	Approval: Supplier Management
---	---------------------------------------	--	--------------	--------------------------------	----------------------------------

Whistleblowing Channels: Establish a clear and confidential reporting mechanism for employees to report suspected violations.

Record Keeping: Maintain **accurate records** of all transactions and relevant information, including due diligence findings and audit results.

4. Engagement with Suppliers and Business Partners: Supplier Agreements: Include anti-corruption and AML clauses in supplier contracts.

Communication and Education: Communicate the policy to suppliers and encourage them to adopt similar practices.

Collaboration: Work with suppliers to improve their own compliance programs and address any identified risks.

5. Enforcement and Sanctions: Consequences for Non-Compliance:

Establish clear consequences for violations of the policy, including disciplinary action and termination of supplier relationships.

Reporting and Investigation: Establish procedures for reporting suspected violations to relevant authorities and conducting thorough investigations.

6. Legal and Regulatory Compliance:

Adherence to Laws:

Ensure compliance with applicable anti-corruption and AML laws and regulations, including the Foreign Corrupt Practices Act (FCPA) in the US.

International Standards:

Adhere to international standards and best practices for anti-corruption and AML, such as the UN Global Compact and the Financial Action Task Force (FATF) guidelines.

Quality and Supplier Visits

BRIGHTON NC MACHINE recognizes the latest version of ISO 9001 requirements for their suppliers. All suppliers are encouraged to establish documents and implement effective quality management systems compliant with the latest version of ISO 9001 requirements as a minimum. This manual defines BRIGHTON NC MACHINE specific requirements and is in conjunction with the latest version of ISO 9001 Requirements.

BRIGHTON NC MACHINE reserves the right to verify supplier compliance with the latest version of ISO 9001 requirements with on-site visits to those suppliers identified as having a high impact on quality.

Audit Review(s) may be performed anytime a supplier's performance is deemed unsatisfactory by BRIGHTON NC MACHINE Management.

- Their primary goal for Supplier visits is the development of both current and potential suppliers that are committed to providing defect-free products to BRIGHTON NC MACHINE. The emphasis is the development of those suppliers who will add value to their product at the lowest total cost.

Customer Specific Requirements

All Customer Specific Requirements shall be evaluated by BRIGHTON NC MACHINE suppliers. BRIGHTON NC MACHINE will flow down any other customer's specific requirements such as special print items. Other customer-specific requirements will be identified on the PO. If a supplier does not have access to Customer Specific Requirements, they can request the most current revision by contacting BRIGHTON NC MACHINE's Supplier Quality or Quality Engineer.

Internal Audits

Supplier Internal Self-Audits

Suppliers are expected to conduct regular internal audits to ensure that internal systems and procedures which have been implemented to ensure that customer requirements are met, are in effect, are meeting goals and objectives, and are subject to continuous improvement.

Internal audits should, wherever possible, be conducted by personnel who are independent of the organization or functional activity that is being audited.

	<h2>Supplier Requirements Manual</h2>	Revision Level F Date: 2026.05.11	Page 9/17	Document Number QP-4.6-0023	Approval: Supplier Management
---	---------------------------------------	--	--------------	--------------------------------	----------------------------------

Documented procedures should be in effect for internal audit, indicating:

- Audited system review for effectiveness from use of continuous improvement analysis.
- Defined responsibilities for personnel conducting the audit.
- Records of the results of the audit are reviewed at a Management Review.

Follow-up internal audits shall be performed to verify the effectiveness of the corrective actions for any non-conformances found in the internal audits. Such follow-up activities are to be maintained on file for three years and are to be available for review, upon request from BRIGHTON NC MACHINE.

Supplier Quality System Self-Audits

There are two primary reasons for conducting a Supplier Quality System Self-Audit:

- (1) To evaluate potential suppliers and determine their ability to meet BRIGHTON NC MACHINE requirements.
- (2) To evaluate current suppliers having reoccurring non-conforming materials and/or unsatisfactory performance history rating.

Rating Requirements for Supplier Quality System Self-Audits and On-Site Audits

Rating requirements are defined on a Self-Audit form and are communicated in advance to Supplier.

Audit results for potential suppliers require a rating of:

- 80%-100% (green) to be considered a BRIGHTON NC MACHINE recommended supplier, BRIGHTON NC MACHINE may request an improvement plan if score is between 80% to 84%
- 60%-79% (yellow) may be considered a BRIGHTON NC MACHINE supplier, an action plan may be required.
- 59% or less (red) cannot be considered a BRIGHTON NC MACHINE supplier, unless an action plan is provided and accepted by BRIGHTON NC MACHINE. BRIGHTON NC MACHINE will require a follow-up on the action plan to re-evaluate rating.

Audit results for current suppliers will be rated:

- >85% (green) for acceptance
- 70%-85% (yellow) Conditioned acceptance
- <70% (red) Rejected.

Any single audit rated as red will require an action plan even though the overall rating is green.

All suppliers may be subject to an on-site audit.

All suppliers not meeting the required score may be subject to a re-audit unless substantiated documentation of corrective action(s) is provided.

Special Process System Assessments (CQI-9, CQI-11, CQI-12, CQI-15, CQI-27)

Suppliers shall conduct special process system audits annually using the AIAG assessments: Heat Treat System Assessment (CQI-9) Plating System Assessment (CQI-11), Coating System Assessment (CQI-12), Welding System Assessment (CQI-15), Casting System Assessment (CQI-27)

Distribution of Audit Results

Audit results will be communicated between BRIGHTON NC MACHINE and supplier. All information shared during the audit process is considered confidential.

Purchase Order Administration and Acknowledgment

Upon being deemed eligible and selected as a supplier (ISO 9001 certification or Brighton, Customer Exceptions) and going through the RFQ process, the initial Purchase Order will be released from BRIGHTON NC MACHINE. Any PO exceptions are to be reported back to the BRIGHTON NC MACHINE Requester or Business Development immediately. Suppliers are required to acknowledge the receipt of the PO and the commitment date(s). This is typically in the form of an email or fax.

Quality Planning

All suppliers are required to use quality planning to support the development of new products and/or services, in accordance with the guidelines in the latest version of ISO 9001 requirements. The supplier is to report the status of the quality planning activities to the BRIGHTON NC MACHINE Requester or Business Development as required.

Part Approval Process (PPAP)

	<h2>Supplier Requirements Manual</h2>	Revision Level F Date: 2026.05.11	Page 10/17	Document Number QP-4.6-0023	Approval: Supplier Management
---	---------------------------------------	--	---------------	--------------------------------	--------------------------------------

Suppliers are expected to have systems and procedures in place to ensure the capability of the products and/or measurement system used to evaluate product conformance prior to shipment of goods to BRIGHTON NC MACHINE. Utilization of AIAG PPAP documents is required with approved PSW forms and format.

Document requirements for PPAP include:

- Design Record(s)/Print(s)
- Engineering Change Notice (if applicable)
- Process Flow Diagram
- Control Plan
- PFMEA
- MSA (if applicable)
- Dimensional Report/Layout
- Material Performance Results
- Process Studies-Capability (if applicable)
- Qualified Lab Documents (including Lab Certification, Qualified Tech Certification, and Training Records)
- Appearance Approval Report-Paint, Coating, E-coating and industrial finishes
- Record of Compliance/Certificate of Conformance (including Certification of Origin)
- Tooling Pictures (including pictures of tooling ownership)
- Packaging Requirements (including pictures)
- SPC (if required)
- PSW-Part Submission Warrant
- IMDS (if required)

Test Labs:

- Accredited Test Lab - An accredited lab has been evaluated and approved to ISO-I7025 standards by an accreditation body (e.g. SCC, A2LA, etc.). This body then accredits the lab to perform testing to specific methods and standards. The laboratory is subject to periodic reassessment.
- Registered Test Lab - A registered lab has completed a satisfactory assessment by an Accredited Registrar certified by a national body (e.g. Registrar Accreditation Board). The audited facility is registered as meeting the requirements for a given commodity. The laboratory is reassessed at appropriate intervals.

The quantity of sample parts required for initial sample approval will be determined at the time of PPAP. In the case of multi-cavity tooling, each cavity will be required unless otherwise specified by Brighton NC Supplier Quality. The paperwork and sample parts submitted to BRIGHTON NC MACHINE must be clearly marked to ensure that the data is traceable to an individual cavity and inspected parts.

IMDS (International Material Data System)

OEM automotive suppliers now require their suppliers to use the IMDS to disclose and quantify the chemical and recycled content of the article and hazardous material of the products purchased and incorporated into the finished product.

- Brighton NC requires suppliers to utilize the IMDS for reporting and disclosing 100% substance and recycled contents to SSC prior to their PPAP submission.
- The PPAP Part Submission Warrant (PSW) must identify the IMDS ID number or numbers and version in the assigned section. (AIAG PPAP Manual)
- Also, as part of the PPAP submission, suppliers are required to include a digital copy receipt from IMDS containing the following verbiage.
 - a. Article name
 - b. IMDS ID(s) and version (s)
 - c. STRATTEC Security Corporation Part Number
 - d. IMDS transmitted date.

	Supplier Requirements Manual	Revision Level F Date: 2026.05.11	Page 11/17	Document Number QP-4.6-0023	Approval: Supplier Management
---	-------------------------------------	--	---------------	--------------------------------	--------------------------------------

e. Verbiage acknowledging the part or parts as “Accepted” by SSC.

Failure to submit “acceptable” data via IMDS and provide a hard copy receipt showing the data “acceptable” by SSC could result in the PPAP rejection.

Each supplier is responsible for contacting EDS (the creator of IMDS), submitting an online registration form to obtain access to the IMDS, and receiving appropriate training on entering and receiving data via the system. Information for the IMDS is available as follows:

website for IMDS is located at www.mdssystem.com

Registration, Evaluation, Authorization and Restriction of Chemicals (REACH)

As of June 2007, the European **Regulation (EC) 1907/2006 concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH)** entered into force.

REACH affects all industries, including the Automotive Industry (AI). As the AI is made up of vehicle manufacturers and many tiers of the supply chain, it has several roles and obligations under REACH. Action is required from the OEMs and suppliers, some immediately and some over the coming 11 years and beyond.

To be prepared for REACH, representatives of all the major vehicle manufacturers and the automotive supply chain around the world developed an “Automotive Guideline on REACH” which can be used to get a quick overview of REACH, its requirements and the recommended actions arising. This guideline can be found at: www.acea.be/reach

Conflict Material Compliance

Certificate of Origin (Annual) for all materials shipped under this order must be submitted to BRIGHTON NC MACHINE Supplier Quality Manager and must be on file.

Product/Process Changes

BRIGHTON NC MACHINE must be notified prior to any change in product or production process. Samples may be required for review and to evaluate potential impact on BRIGHTON NC MACHINE’s’ process. Submission for PPAP is required unless specifically waived.

Unapproved changes will result in:

- Rejection and/or
- Quarantine of all goods at the discretion of BRIGHTON NC MACHINE
- New Business Hold

Any charges incurred due to the lack of advanced notification will be the responsibility of the supplier.

Production Location Changes

BRIGHTON NC MACHINE must be notified prior to any change in production location. BRIGHTON NC MACHINE Material Control or Supplier Development will facilitate the development of a move plan with input from BRIGHTON NC MACHINE Management and the Supplier. Any charges incurred due to the lack of advanced notification will be the responsibility of the Supplier.

Certification of Conformance

A. With each shipment of items, the supplier shall submit a certificate of conformance, signed by a representative responsible, which shall constitute a representation by supplier that:

- Materials used are those which have been specified by BRIGHTON NC MACHINE and that the items’ delivered suppliers were produced from materials for which supplier has, on file, reports of chemical or physical analysis and any other required evidence of conformance of such items to applicable specifications.
- Processes used in the fabrication of items delivered are in compliance with applicable specifications.
- The items delivered comply with all specifications and other requirements communicated by BRIGHTON NC MACHINE at the time of the order. In case of a drop shipment, a copy of the above certificate shall be submitted direct to BRIGHTON NC MACHINE at time of shipment.

B. By making shipment under this Order, Supplier automatically Certifies:

- that the materials (except when they are furnished by BRIGHTON NC MACHINE) used in the items shipped and the processes applied to such items comply with the applicable drawings and specifications.

	<h2>Supplier Requirements Manual</h2>	Revision Level F Date: 2026.05.11	Page 12/17	Document Number QP-4.6-0023	Approval: Supplier Management
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- Suppliers agree to retain objective evidence, including records, of the inspections and tests performed while manufacturing, testing inspecting, preserving, packaging, and packing of said items. These records shall be available to BRIGHTON NC MACHINE upon request.
- Counterfeit product :
 1. The supplier must warrant that they are not supplying counterfeit materials.
 2. Verification of original product- not Counterfeit.
 3. Consequences of Non-Compliance:
 - a. Suppliers who supply counterfeit parts may face penalties, including contract termination or legal action.
 4. Suppliers should maintain a complete chain of custody for all components/materials.
 5. Suppliers should not use or reclaim parts and misrepresent them as new.

Receiving Inspection

All Production components and materials will be subject to Receiving Inspection counts, weights and potential product compliance inspections as material is being received.

Quality & Delivery Problem Reporting and Resolution - Notification from Supplier to BRIGHTON NC MACHINE

If a Supplier has reason to believe that a non-conforming condition exists in the areas of Quality, Delivery, or other services:

1. Immediate action must be taken by the Supplier to notify BRIGHTON NC MACHINE Material Control or Supplier Development.
2. Notification to BRIGHTON NC MACHINE shall be followed by providing immediate action to sort or replace the material in house within 24 hours.

Supplier Corrective Actions Request (SCAR)

Acceptance of this the PO obligates the Supplier to perform, upon request, a corrective action investigation when non-conforming material is received by BRIGHTON NC MACHINE. BRIGHTON NC MACHINE will request corrective action from Supplier when a quality problem exists. Suppliers shall respond to such requests within 30 days and shall include the following information: analysis of the cause of the problem, statement of the action taken, corrective action to prevent recurrence and verification plan.

A SCAR Is generated when:

1. Suppliers receive an overall scorecard quarterly rating of 60% or in the red for two consecutive quarters.
2. Top Management determines a SCAR should be generated due to significant product quality non-conformance caused by the supplier.
3. The request for a SCAR has been made by any external customer or an internal customer.
4. Repeated non-conformances during a month or over a multi-month period and is determined by Top management.
5. Corrective actions shall be in an accepted format including root cause analysis, e.g. 8D, Fishbone, Pareto, 5 Why's, etc.).

Return of Supplier Defective Material

BRIGHTON NC MACHINE requests that all Suppliers review and reply within 48hrs to all DMRs issued by BRIGHTON NC MACHINE for non-conforming or defective material(s), with an RMA number and means of dispositioning all defective material.

Suppliers will have a reasonable amount of time (four weeks) from the submission date of the DMRs to receive and review all non-conforming material and issue credit to BRIGHTON NC MACHINE. If no credit is issued within this four-week period, and BRIGHTON NC MACHINE has no communication with the Supplier, a debit memo will be sent to the supplier along with the original DMR(s). Such a memo will be given to the accounting department, and the supplier's account will be debited to the amount listed on the debit memo.

	<h2>Supplier Requirements Manual</h2>	Revision Level F Date: 2026.05.11	Page 13/17	Document Number QP-4.6-0023	Approval: Supplier Management
---	---------------------------------------	--	---------------	--------------------------------	--------------------------------------

Further to the debit of the supplier's account, the supplier has a reasonable amount of time (four weeks) to respond with the correct disposition of any and all defective material that has not yet been returned. BRIGHTON NC MACHINE will accept no responsibility for the safekeeping of defective material if we do not have their instructions as to the disposal of their material after this time. Any return of defective material is at the Suppliers expense.

Charge Backs

For every Rejection issued, the supplier may be charged for expenses accrued from BRIGHTON NC MACHINE and its customers.

Product found to have a defect that was not visible prior to processing is the responsibility of the Supplier. If the percentage of scrap parts is above the industry standard, the Supplier may incur charge back of the value-add BRIGHTON NC MACHINE has invested in the product.

Expenses for sorting, reworking and transportation charges will be charged at cost.

Suppliers will have 30 days to dispute any charges, in writing, to BRIGHTON NC MACHINE Supplier Quality.

Repeat Concerns

Repeated concerns in quality may result in containment shipping, or material sort and certification.

Lot Traceability

Suppliers must ensure lot traceability on all materials, components, and assemblies to support customer needs as required.

Product Preservation and Packaging

Unless otherwise specified in the purchase order, Supplier shall handle and package all material in a manner that will ensure protection against corrosion, oxidation, deterioration, and physical damage during shipment to BRIGHTON NC MACHINE. The packaging materials should satisfy standards for environmental safety and pose no hazards to operators who are in contact with them. Suppliers must ensure the product is delivered with proper sealed packaging, or treatments, to allow for a useful shelf life of 9 months. Failure to handle, pack and seal all materials in a manner that will ensure protection against corrosion, oxidation, deterioration, and physical damage during shipment will result in expenses for sorting, reworking, de-rusting and transportation charges to the Supplier at cost.

Material Certifications

Material certifications shall accompany all shipments for raw materials to be included in BRIGHTON NC MACHINE products or available at the supplier's facility. Other certification requirements from BRIGHTON NC MACHINE are to be identified on Brighton PO. In addition to PPAP requirements, IMDS is to be utilized to collect required material data sheet information from suppliers, if required. Suppliers must report and define the status of their conflict free sourcing initiative (CFSI). The latest CFSI declaration is to be utilized that defines the Country of Origin of all conflict minerals. Certificate of Origin data is required on an annual basis or due to material or supplier changes.

Record Retention

The supplier shall maintain all applicable quality records depending upon the record retention time frame in place by the end-user customer or engineering standards. Environmental records shall be retained for retention time called out in regulatory standards from which the record is derived.

Delivery

BRIGHTON NC MACHINE requires 100% on-time delivery performance from all suppliers.

Any delivery delays must be reported to BRIGHTON NC MACHINE Material Control or Supplier Development immediately. On-time deliveries are defined as 0 days late or not more than 7 days early. All deliveries are to be made per the logistics arrangements, determined and within the normal scheduled delivery time. Excess costs attributed to supplier lateness are the responsibility of the Supplier. It is the Suppliers responsibility to work with BRIGHTON NC MACHINE schedulers to create and meet proper lead times. -

Premium Freight

It is BRIGHTON NC MACHINE policy to avoid usage of premium freight. Unfortunately, its usage is unavoidable due to varying circumstances. Supplier attributed issues (Quality rejection, late delivery, etc.) will require premium freight

	<h2>Supplier Requirements Manual</h2>	Revision Level F Date: 2026.05.11	Page 14/17	Document Number QP-4.6-0023	Approval: Supplier Management
---	---------------------------------------	--	---------------	--------------------------------	----------------------------------

to be paid by the Supplier to meet required dates. BRIGHTON NC MACHINE attributed issues (Inventory loss, short lead time, etc.) will be paid for by BRIGHTON NC MACHINE.

Safety & Environmental

Safety Data Sheets must accompany any initial shipments from all suppliers and marked to the attention of the BRIGHTON NC MACHINE Safety Manager.

Where required, Material Certifications should be placed in a separate envelope and addressed to BRIGHTON NC MACHINE Supplier Quality or sent by email. All material safety data sheets should be in a separate envelope and addressed to BRIGHTON NC MACHINE Supplier Quality or sent by email.

Supplier Monitoring

Where BRIGHTON NC MACHINE or its customer intends to perform verification at the supplier's premises, BRIGHTON NC MACHINE will state the intended verification arrangements and method of product release in the purchasing information.

BRIGHTON NC MACHINE verification activities may include:

- a. obtaining objective evidence of the quality of the product from suppliers (e.g., accompanying documentation, certificate of conformity, test reports, statistical records, process control),
- b. inspection and audit at supplier's premises,
- c. review of the required documentation,
- d. inspection of products upon receipt, and
- e. delegation of verification to the Supplier, or Supplier certification.

Where specified in the contract, the customer or the customer's representative shall be afforded the right to verify at the Supplier's premises and at BRIGHTON NC MACHINE's premises that the subcontracted product conforms to specified requirements.

Verification by the customer shall not be used by BRIGHTON NC MACHINE or their suppliers as evidence of effective control of quality by the Supplier and shall not absolve BRIGHTON NC MACHINE or their suppliers of the responsibility to provide acceptable product, nor shall it preclude subsequent rejection by the customer.

Monitoring Methods

Quality performance will be monitored by tracking the defective parts received. The requirement for quality performance is 100% (Zero Defects).

Delivery Performance will be monitored by tracking compliance to shipment due date(s) and quantity accuracy from the BRIGHTON NC MACHINE receipts. Delivery performance data will be periodically reviewed by BRIGHTON NC MACHINE. Delivery performance requirement is 100%.

Supplier Profile

Suppliers are requested to forward a copy of their Quality System Certification (i.e. ISO 9001 or IATF 16949 certificate from 3 party audits). For those suppliers not certified to the appropriate standard, customer acknowledgement and approval must be sent and added to the Approved Supplier List.

	<h2>Supplier Requirements Manual</h2>	Revision Level F Date: 2026.05.11	Page 15/17	Document Number QP-4.6-0023	Approval: Supplier Management
---	---------------------------------------	--	---------------	--------------------------------	----------------------------------

New Business Hold

At BRIGHTON NC MACHINE's discretion, suppliers will be placed on New Business Hold for anyone, or in combination with the following criteria:

- Suspension of their Quality System Certificate (supplier must notify BRIGHTON NC MACHINE if this situation occurs).
- Performance issues resulting in multiple instances of quality or shipping problems.
- Financial risk or instability
- Contractual issues (at BRIGHTON NC MACHINE discretion)

Defining and Implementing (flow down to your tier I suppliers)

Defining and implementing similar standards for Tier I suppliers, and potentially extending them to lower tiers, is crucial for ensuring a responsible and resilient supply chain. This involves establishing clear guidelines for suppliers, monitoring compliance, and taking corrective actions when necessary.

Definition and Implementation:

1. Supplier Code of Conduct:

Develop a comprehensive code of conduct outlining expectations for suppliers regarding ethical practices, labor standards, environmental sustainability, and other relevant aspects.

2. Supplier Audits:

Conduct regular audits of Tier I suppliers to assess their adherence to the code of conduct and identify areas for improvement.

3. Transparency and Communication:

Maintain open communication with suppliers, sharing information about sustainability goals, best practices, and performance metrics.

4. Tier I Supplier Agreements:

Include clauses in supplier contracts requiring adherence to the code of conduct and establishing consequences for non-compliance.

5. Corrective Action Plans:

Develop a process for addressing non-compliance issues, including providing support and guidance to suppliers to help them improve their practices.

6. Supplier Mapping:

Map out the supply chain to identify all Tier I suppliers and their sub-tier suppliers, enabling broader impact assessments and risk mitigation.

7. ESG Reporting:

Implement ESG (Environmental, Social, and Governance) reporting frameworks to track progress and share information with stakeholders.

Similar Standards:

Environmental Sustainability:

Require suppliers to adopt environmentally responsible practices, including reducing carbon emissions, conserving resources, and minimizing waste.

Labor Standards:

Enforce fair labor practices, including providing safe working conditions, fair wages, and freedom of association.

Ethical Sourcing: Ensure the responsible sourcing of raw materials and avoid involvement in human rights abuses or environmental degradation.

	<h2>Supplier Requirements Manual</h2>	Revision Level F Date: 2026.05.11	Page 16/17	Document Number QP-4.6-0023	Approval: Supplier Management
---	---------------------------------------	--	---------------	--------------------------------	----------------------------------

Data Security: Implement measures to protect sensitive data and ensure compliance with data privacy regulations.

Compliance with Laws and Regulations: Require suppliers to comply with all applicable laws and regulations related to their operations.

Benefits of Similar Standards:

Reduced Risk:

Improved visibility into the supply chain helps identify and mitigate potential risks, such as supplier failures, human rights abuses, or climate-related issues.

Enhanced Reputation:

Demonstrates a commitment to responsible business practices and builds trust with customers, investors, and other stakeholders.

Improved Efficiency and Cost Savings:

Streamlined processes and better collaboration with suppliers can lead to increased efficiency and cost savings.

Competitive Advantage:

Being proactive on sustainability issues can create a competitive advantage in the market.

Compliance with Regulations:

Meeting regulatory requirements and industry standards related to sustainability, labor, and environmental protection. By implementing similar standards across their supply chains, companies can foster a more responsible and resilient ecosystem, reducing risks, building trust, and creating a more sustainable future.

Key Aspects of Export Controls and Economic Sanctions for Brighton NC Machine Suppliers:

Export Controls:

These regulations restrict the export of certain goods, technologies, and services for reasons like national security, foreign policy, or economic protection.

Economic Sanctions:

These are measures imposed by governments to restrict trade or financial transactions with specific countries, entities, or individuals, often for national security or foreign policy reasons.

Scope:

Export controls and economic sanctions can apply to a wide range of items, including technology, software, services, and even information.

Purpose:

These policies aim to prevent the proliferation of weapons, safeguard national security, protect domestic industries, and support foreign policy objectives.

Compliance:

Suppliers must ensure they comply with all applicable export controls and sanctions regulations to avoid penalties.

How to Navigate the Regulations:

1. **Understand the Laws:** Familiarize yourself with the specific regulations, such as the Export Administration Regulations (EAR) and the International Traffic in Arms Regulations (ITAR), and the sanctions programs administered by the Office of Foreign Assets Control (OFAC).
2. **Screen Suppliers and Customers:** Regularly screen your suppliers and customers against sanctions lists and other compliance databases.
3. **Identify Controlled Items:** Determine whether your products or services are subject to export controls or sanctions.
4. **Obtain Necessary Licenses:** If required, obtain the appropriate export licenses from the relevant government agencies.
5. **Maintain Records:** Keep detailed records of your compliance efforts and any transactions involving controlled items or sanctioned parties.

	<h2>Supplier Requirements Manual</h2>	Revision Level F Date: 2026.05.11	Page 17/17	Document Number QP-4.6-0023	Approval: Supplier Management
---	---------------------------------------	--	---------------	--------------------------------	----------------------------------

Consequences of Non-Compliance:

1. Penalties: Non-compliance with export controls and sanctions regulations can result in fines, imprisonment, and the seizure of goods.
2. Reputational Damage: Violations can damage a company's reputation and lead to a loss of business opportunities.

Examples of Compliance Practices: Regular Compliance Training: Provide training employees on export controls and sanctions regulations.

Risk Assessment: Conduct regular risk assessments of your business operations to identify potential compliance issues.

Establish a Compliance Program: Develop and implement a comprehensive compliance program that outlines your policies and procedures.

By understanding the regulations and implementing effective compliance practices, suppliers can minimize the risks associated with export controls and economic sanctions and ensure that their business activities are conducted in accordance with the law.

Supplier Requirements Manual Receipt

Please update all contact information below with name and email:

Quality Manager: Email:

Production Manager: Email:

Material Control/Scheduler: Email:

I acknowledge receipt and agree, after review, of the new Supplier Requirements Manual.

Company Name

Representative Title and Signature

Date

	Supplier Requirements Manual	Revision Level F Date: 2026.05.11	Page 18/17	Document Number QP-4.6-0023	Approval: Supplier Management
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* Please note: If no response is sent within a 30-day period of time after receiving the Supplier Requirements Manual, the Supplier Requirements Manual is considered as approved by the Supplier.