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Quality Policy Manual

Introduction

Southco, under the leadership of W.C. Hale, was formed at the end of World War II as an offshoot of the South Chester Tube Company. Due to capable engineering, quality manufacturing, aggressive marketing and sound financial management, Southco has developed into, we believe, the access hardware and latching system industry leader in the world.

Vision

To be the Leading and Trusted Global Source of Engineered Access Control Hardware, Services & Solutions.

Mission

Our mission is to *create* continuous growth opportunities through strong customer connectivity and engineering excellence

We will *seize* these opportunities through seamless teamwork and by leveraging our operational excellence and supply chain management.

Together, we will *drive* leadership, growth and extraordinary value for our customer, associates and shareholders.

Southco Key Objectives

- Drive Profitable Top Line Growth
- Deliver Best-in-Class Customer Experience Through Operational Excellence
- Strengthen Financial Performance
- Invest in Our People & Culture

Quality Policy

By focusing on customer satisfaction, we strive to...

- Design our products to meet the needs of our customers
- Control our processes using appropriate techniques
- Manufacture our products to be defect free
- Involve all employees in continuous improvement
- Deliver our products in a timely manner
- Provide our customers with exceptional quality service

Our success will be measured by the ultimate judge, our customers.

During the annual management review meeting with Southco's Executive Leadership Team [ELT], the Quality Policy is reviewed and confirmed to be aligned with the context of the organization and the strategic direction. We strive to continuously improve our Quality Management System [QMS], ultimately to improve our customer focus and our business performance.

Environmental Policy

Southco is committed to the environmental safety and health of its employees, customers and neighbors and to the protection of the environment.

Southco is committed to an effective environmental management system designed to support our strategic business objectives.

The following principles shall apply to all Southco business practices

- Conduct business so that environmental challenges are managed as an integral part of current and changing business strategies.
- Recognition that all Southco associates must be trained to perform their jobs in a safe and environmentally responsible manner.
- Commitment to the full compliance with applicable governmental requirements and Southco standards.
- Dedication to prevention of pollution and continuous improvement of our environmental management systems.
- Establishment of objectives and targets, which consider environmental aspects and impacts as an integral part of our business decision-making process.

Context of the Organization

- Strategic & Tactical Direction: Southco's Executive Leadership Team [ELT] provides annual strategy deployment and key objectives. The strategy and annual tactical objectives are cascaded throughout multiples levels of the organization using scorecards and project plans.
- Accountability of the QMS Effectiveness: Southco's Executive Leadership Team [ELT], SBU General Managers, Global Directors, and Regional Directors are fully responsible for QMS effectiveness using the process approach. The process approach using the Plan-Do-Check-Act cycle and focused on risk-based thinking includes the definition, management, continual improvement, and interactions of business processes.   This accountability is demonstrated during various management decisions and meetings, including customer audits, internal & external audits, monthly scorecard meetings, and the annual Corporate and Site Management Reviews.

Internal & External Organizational Context:

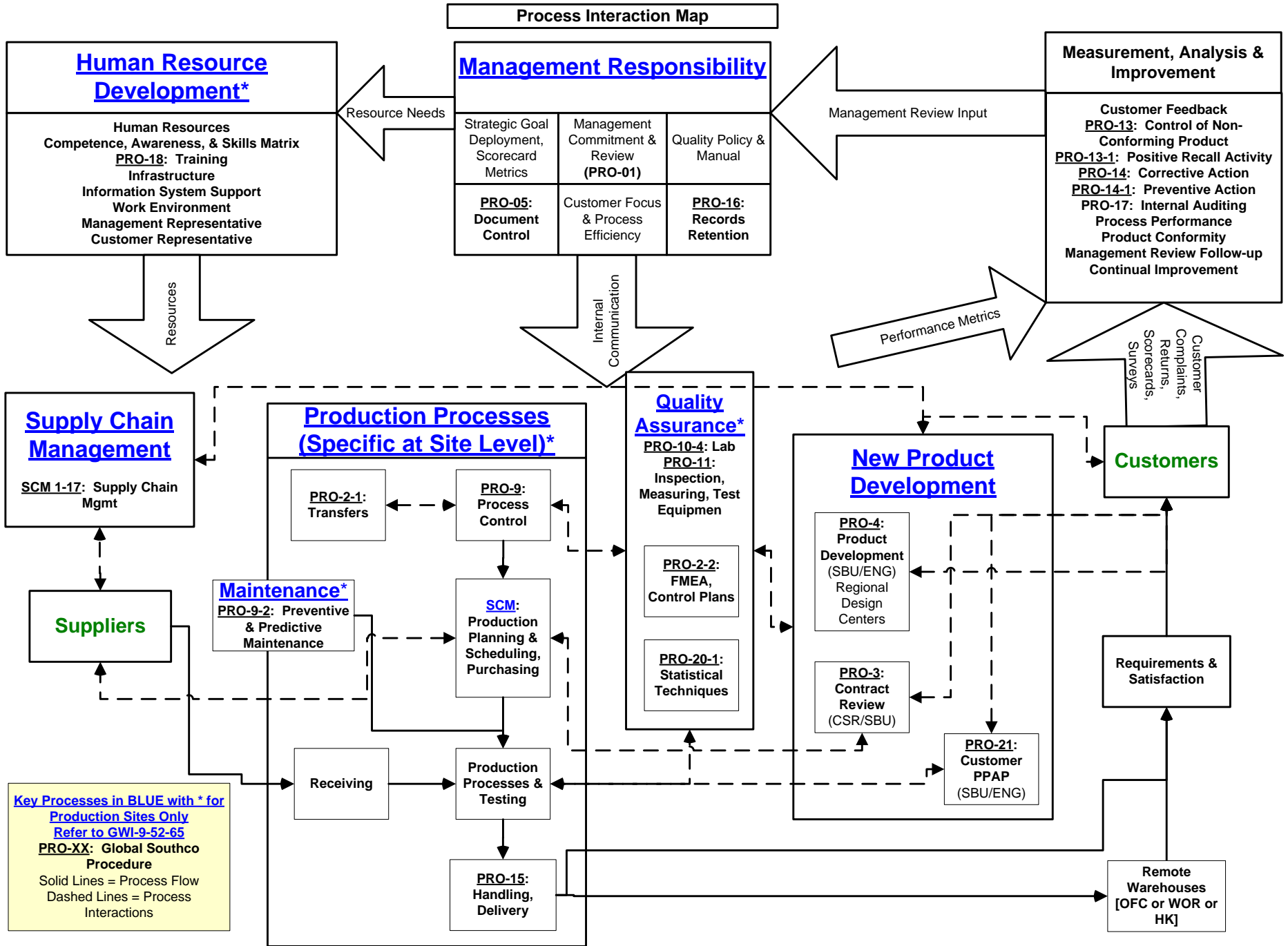| Internal Context	External Context
Internal Customer Requirements for Quality, Delivery, Cost in Processes	Customer Requirements for Product Quality, Delivery, Cost
Technology Solutions for Business Performance [Environment, Quality, Delivery, Cost – EQDC]	Technology Solutions for Customer Satisfaction, and Market / Industry Requirements
Competitive Pressure on Quality, Delivery, Standard Cost	Competitive Pressure on Quality, Delivery, Cost [Pricing]
Internal Legal Requirements	External Legal Requirements
Cultural Collaboration with Employees.	Cultural Collaboration with Customers, Suppliers, External Agencies
Southco Values	Southco Values

Interested Parties

- Customers, Suppliers, Employees, Shareholders, Executive Leadership Team [ELT], Community, Certification Bodies, Auditors, Local, State & Federal / Country Safety, Legal, & Environmental Agencies.

Interested Party Requirements

- <u>Customers</u>: Contract Review PRO-03, Customer Parameter Briefs [CPBs], New Product Development PRO-04, Customer Specific Requirements, Customer Scorecards.
- <u>Suppliers:</u> SCMs, Payment Terms, Contracts
- <u>Employees</u>: QMS Global Procedures, Work Instructions, Forms. Employee Development & Performance Goals in PDR, including Southco University courses.
- <u>Shareholders</u>: Monthly Board Meetings, Annual Shareholder Meeting.
- <u>Executive Leadership Team [ELT]</u>: Strategy Deployment and Key Objectives, Monthly Scorecards and Metric Review, Annual Management Review Meeting.
- <u>Community</u>: Local, State, & Federal / Country Statutory and Regulatory Requirements. EHS Scorecard.
- <u>Certification Bodies / Auditors</u>: IATF, AS-9100, ISO-9001, ISO-14001 Standards.
- <u>Local, State & Federal Safety, Legal, & Environmental Agencies</u>: Local, State, & Federal / Country Statutory and Regulatory Requirements. EHS Scorecard.

Scope

The scope of Southco activities is the design, manufacture and assembly of access control hardware following the guidelines of ISO 9001:2015, ISO 14001:2015, SAE AS9100 D 2016, and IATF 16949:2016 requirements worldwide as well as appropriate customer specific requirements along with processes at remote support locations. Southco has issued this policy manual to establish uniform practices to better satisfy the needs of our customers and the requirements of our interested parties. This manual adheres to the guidelines of the standards above. The system applies to all Southco processes, goods and services for contract fulfillment and our internal use worldwide and directs the activities for all Southco sites.

Process Interaction Map

Human Resource Development*

Human Resources
Competence, Awareness, & Skills Matrix
PRO-18: Training
Infrastructure
Information System Support
Work Environment
Management Representative
Customer Representative

Resource Needs

Resources

Management Responsibility

Strategic Goal Deployment, Scorecard Metrics	Management Commitment & Review **(PRO-01)**	Quality Policy & Manual
PRO-05: Document Control	Customer Focus & Process Efficiency	**PRO-16:** Records Retention

Internal Communication

Management Review Input

Measurement, Analysis & Improvement

Customer Feedback
PRO-13: Control of Non-Conforming Product
PRO-13-1: Positive Recall Activity
PRO-14: Corrective Action
PRO-14-1: Preventive Action
PRO-17: Internal Auditing
Process Performance
Product Conformity
Management Review Follow-up
Continual Improvement

Performance Metrics

Customer Complaints, Returns, Scorecards, Surveys

Supply Chain Management

SCM 1-17: Supply Chain Mgmt

Suppliers

Production Processes (Specific at Site Level)*

PRO-2-1: Transfers

PRO-9: Process Control

Maintenance*
PRO-9-2: Preventive & Predictive Maintenance

SCM: Production Planning & Scheduling, Purchasing

Receiving

Production Processes & Testing

PRO-15: Handling, Delivery

Quality Assurance*
PRO-10-4: Lab
PRO-11: Inspection, Measuring, Test Equipmen

PRO-2-2: FMEA, Control Plans

PRO-20-1: Statistical Techniques

New Product Development

PRO-4: Product Development (SBU/ENG) Regional Design Centers

PRO-3: Contract Review (CSR/SBU)

PRO-21: Customer PPAP (SBU/ENG)

Customers

Requirements & Satisfaction

Remote Warehouses [OFC or WOR or HK]

Key Processes in BLUE with * for Production Sites Only
Refer to GWI-9-52-65
PRO-XX: Global Southco Procedure
Solid Lines = Process Flow
Dashed Lines = Process Interactions

ISO/IATF 16949:2016 Manufacturing Sites & RSL Interactions

The interaction between various Southco manufacturing sites and remote support locations (such as Corporate Headquarters, Design Center & Shipping/Distribution Center) along with their scope of support can be found in attached file.

Southco Quality Policy
Manual RLS.xlsx

Document (i.e. table or matrix or list) indicating customer specific requirements are addressed by which QMS processes are maintained by respective Southco Manufacturing Sites.

Addendum A – Matrix Indicating IATF 16949 Requirements to Key Processes

PROCESS	4.1	4.2	4.3	4.4	5.1	5.2	5.3	6.1	6.2	6.3	7.1	7.2	7.3	7.4	7.5	8.1	8.2	8.3	8.4	8.5	8.6	8.7	9.1	9.2	9.3	10.1	10.2	10.3
Management Responsibility	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
New Product Development/ Engineering				X							X					X	X	X		X	X							
Supply Chain Management				X							X	X				X			X	X	X							
Production Processes																				X	X							
Maintenance																				X								
Quality Assurance				X							X	X			X	X				X	X	X	X	X			X	
Human Resource Development												X	X															

Revision History

Contact Corp. QA for prior Revision History

REV	DATE	DESCRIPTION OF CHANGE
D	01JUN01	Removed 'Global Environmental Health, and Safety Manager' throughout Policy. Replaced with 'Director, Risk Management'. Section 1.4 removed obsoleted PRO-01-2. Section 18.0 removed L&D and replaced with 'HRD'. Section 19.0 removed "Inside Sales". Section 21.1 changed the significant criteria. Appendix B added OFC Quality Policy Poster "3". Added Hong Kong "2". Combined Worcester/Staverton "10". Changed Albany from '10' to '7'. HF changed from '4' to '5'. Korea from '1' to '3'. Vb
E	07MAY02	Revised entire Policy Manual. Removed redundancy. Added QS9000 and ISO9001:2000 information. Vb
F	22JAN03	Pg. 12 – added Standard Handbook Product flowchart. Vb
G	27JAN03	Pg. 5 added Form 63 to flowchart. Vb
H	04APR03	Revised Southco Key Objectives for 2003. Added ISO/TS 16949 throughout policy. Added information to "Responsibility & Authority", "Provision of Resources", "Develop /Training". Added "Acceptance & Maintenance". Added Form 827 to "Measurement Sys. Analysis". Added All facility Process Flow charts. Added "Document Cross Reference Table". Vb
I	14APR03	Added "Southco Business Operating System". Vb
J	06MAY03	Added 'Bridgeport Facility Process Flows'. Added WORC Cross Reference Table. Vb
K	04AUG04	Removed individual process flows. Replace with Process Flow applicable to any Southco Facility. Added ISO14001 Matrix to appendix. Environmental policy added. Vb
L	21MAR05	Revised Southco Vision, Mission & Key Objectives for 2005. Vb
M	23JUN05	Scope section: Added exclusions apply to facilities OFC, Fu Yong, Tecate. Vb
N	08AUG05	Table in appendix – updated with link to each facilities home page. Scorecard – Updated to link back to table of elements and explain 14001 requirement Internal Audits – Added ISO14001 standard to list of standards required for audits Monitoring and Measuring – Updated to include ISO14001 requirements. Updated exclusions table to include Justifications. Updated Supplier section to clarify that supplier and supplier of outsourced process and product are the same. Vb
O	17JAN06	Added AS9003 Cross Reference to Document reference table. Removed reference to ISO/TS in manual title. Page 9 Each facility develop their own training procedure using the following. Vb
P	02FEB06	Pg 1 - Revised 2006 Key Objectives. Added to Scope: 'hinges'. Pg 2 – Added Farnham & Honeoye Falls facility. Removed Germany to design and replaced with Worcester. Vb
Q	21APR06	Minor changes to the Southco Environmental Policy to reflect Globally.
R	01JUL06	Completely reconstructed Policy Manual. (Removed ALL except) Introduction, Vision, Mission, Southco Key Objectives, Customer Quality Policy & Scope. 2. Added a Process Interaction Map

S	25JAN07	Updated Key Objectives for 2007
T	04FEB08	Updated Key Objectives for 2008 and included AS9100 as applicable standard. Added PRO-13 to Process Interaction Map
U	19JAN09	Updated 2009 Key Objectives
V	27APR09	Removed Farnham from the exclusion table
W	19AUG09	Removed the table which declared exclusions to the Scope of the registration. Added: "There are no exclusions" statement to the SCOPE paragraph. Updated ISO guidelines (under 'Scope') to reflect current standards.
X	1OCT09	Updated Process Interaction Map. Added PRO-14 Corrective Action and updated Preventive Action to PRO-14-1. Added ":2009" to scope for SAE AS9100:2009.
Y	13DEC09	Added PRO-01 to Process Interaction Map
Z	3FEB10	Updated Southco's Key Objectives. Removed: Protect the Core Business & Target Market Share Growth, Drive Lean & Green Thinking, Action & Results, SAP Implementation & Development Support, and Continue to Invest in Our Future. Added: Drive Profitable Top Line Growth, Strengthen Customer Confidence, Continue to Strengthen Financial Performance, and Engage and Invest in Our Associates Added Remote Sites: Southco, Inc. - Corporate Headquarters and Southco, Inc. – Warehouses – OFC, WORC, or HK. Moved PRO-04 Product Development to be shown in both "Product Realization" at Facilities and in Regional Design Centers. Added "Information System Support" to Resource Management. Added Addendum A: Table of Contents for Global Procedures to highlight elements.
AA	16MAR10	Added exclusion for 7.5.1.5 "Control of Service Operations" (AS9100 Rev. B clarification required). Updated Process Interaction Map and clarified Key Processes.
AB	31JAN11	Updated Southco's Key Objectives for 2011. Updated Addendum A: Table of Contents for Global Procedures to highlight elements.
AC	11MAR11	Renamed exclusion to "Post Delivery Support" as per AS9100 C requirement. S. Patel. Updated Addendum A. K. Hogan
AD	29DEC11	Updated Addendum A, blocked out revision levels and revision dates, and added "Controlled Copy of Revision Levels and Revision Dates in PRO-00 on Sharepoint". K. Hogan
AE	27JAN12	Updated Key Objectives for 2012. The second objective changed from "Realize End-to-End Performance Improvements" to "Consistently Drive Customer Service & End-to-End Excellence". Updated Addendum A. K. Hogan
AF	28JAN13	Updated Key Objectives for 2013. The first objective changed from "reinvest in" to "drive". The second objective changed from "Consistently Drive" to "Achieve Best in Class" and "End-to-End" to "Operational". Added "and Gross Margin %" to the third objective. Updated Addendum A. K. Hogan
AG	21FEB13	Removed red highlighting from addendum section "Controlled Copy of Revision Levels and Revision Dates in PRO-00 on Sharepoint". Added page numbers. K. Hogan
AH	31JAN17	Updated Key Objectives for 2017. K. Hogan
AI	2JUN17	Added "per SAE AS9100C:2009" under Exclusion section covering Scope on page 3. S Patel
AJ	31AUG17	Update Quality Manual for IATF, ISO-9001, AS-9100 revision requirements. Removed exclusion in Scope section. Added sections for Context of the Organization, Interested Parties and Requirements. S. Patel & K. Hogan

AK	19DEC17	Added Customer Specific Requirements & RSLs in Scope. Added Manufacturing site and RSL interaction for various sites. Modified addendum to show IATF 16949 requirements against key processes.
AL	19JUL19	Added Brazil site on Manufacturing site & RSL interaction map/file.
AM	27MAR20	Added Pune site for Worc's scope of support on Manufacturing site and RSL interaction map/file.
AN	17AUG20	Updated CUU site remote location information and design, shipping & distribution.
AO	15DEC20	Updated Concordville and Worcester tab to remove OFC RSL.
AP	5FEB21	Updated SHIM Facility RSL.
AQ	19APR21	Added Rzeszów o RSL interaction map, Poland added to Worcester RSL for Warehouse and Distribution.
AR	21JUN21	Reformatted for improved readability
AS	24JAN22	HF tab is updated with additional Scope and Farnham has been removed
AT	9 JUN 22	Updated Poland Support Process