



Global Supplier Performance Standards Manual (GSPSM)

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Rev 5

Page 1 of 29

Revision	Release Date	Effective Date	Concise Description of Changes
1	2011-12-01	2011-12-01	Initial Release
2	2018-07-02	2018-08-14	<p>Divide the previous Quality Expectations into three sections:</p> <ol style="list-style-type: none"> 1. Supplier On-boarding Processes 2. Product On-boarding Processes. 3. Supplier Monitoring & Continuous Improvement <p>Add the <Procure to Pay> Section</p>
3	2023-04-10	2023-04-10	<p>Version three revamped Version two as follows:</p> <ol style="list-style-type: none"> 1. New BOS Format 2. Added Hyperlinks, updated References, and definitions. 3. Streamlined Purpose and Scope 4. Added Responsibility, Global Supplier General Expectations focusing on: <ol style="list-style-type: none"> a. Management Standards b. Global Expectations for ISO Standards c. Supplier Development d. Electronic Commerce e. Integrity and Ethics 5. Updated hyperlink to Global Terms and Conditions 6. Resilience and ESG added to align with supplier scorecard ratings and removed several sections from previous manual by including: <ol style="list-style-type: none"> a. Hyperlinks, aligned with JCI external site, and simplified sections 7. Supplier Onboarding added: <ol style="list-style-type: none"> a. Supplier Validation, Supplier Set-up, GEP Profile, eRFX and b. Updated SOA and ISA to include DSOA and FSOA 8. Product Onboarding added, updated, or expanded APQP, PPAP/PAPSO, Packaging requirements, Supply Chain Logistics, LeanDNA®, Line of Balance, and ASN 9. Procure-to-Pay updated with Supply Chain Finance and direct hyperlinks <p>Added section Performance Monitoring, Relationship Development and Supplier Escalations to include Supplier Scorecard Training hyperlink, IRIS process, PPM, Deviation Process Control, Supplier Change Management, Supplier Notification of NCMR Quarterly Business Reviews, and Escalation path</p>

4	2024-03-01	2024-03-01	<p>Version four revamped Version three as follows:</p> <p>GSPSM BOS Header</p> <ul style="list-style-type: none"> Legal guidance to amend header to include the following statement: “© Johnson Controls Inc. Proprietary and Confidential—not for Distribution” <p>External GSPSM Access and Registration Page</p> <ul style="list-style-type: none"> Legal guidance to add checkbox noting: “By accessing the Global Supplier Performance Standards Manual (GSPSM), you agree that it is confidential and proprietary to Johnson Controls. Unauthorized sharing or distribution of the information contained within the GSPSM is strictly prohibited.” <p>Approvals</p> <p>Changed approvers as follows:</p> <ul style="list-style-type: none"> Removed Duane Maier for VP Procurement, Global Products and replaced with Lane Johnson Removed Lane Johnson for VP Procurement, EMEALA and replaced with Barb Knit Removed Fabio Morija for Director Procurement, LATAM and replaced with Leandro Farina Added Artur Czarniecki, VP Global Materials <p>2.0 SCOPE & 3.0 RESPONSIBILITY</p> <ul style="list-style-type: none"> Realigned supplier type for consistency and transparency <p>4.0 GLOBAL SUPPLIER GENERAL EXPECTATIONS</p> <p>4.1.4 Data Security</p> <ul style="list-style-type: none"> Inserted section on data security requirements for suppliers and hyperlink <p>4.1.5 Electronical Commerce</p> <ul style="list-style-type: none"> Added GEP Smart and updated Gainfront (formally Quantum) hyperlinks <p>4.1.6 Integrity, Ethics, and Sustainability</p> <ul style="list-style-type: none"> Added Sustainability to the title and incorporated the Facility Siting, Sustainability Report and Disclosures <p>4.4.1 Supplier Diversity</p> <ul style="list-style-type: none"> Amended hyperlink Diverse Vendor Profile & Spend Report: Gainfront to reflect Gainfront <p>5.0 SUPPLIER AND PRODUCT ONBOARDING</p> <p>5.1.2. Supplier Validation and Vendor Master Setup</p> <ul style="list-style-type: none"> Edited to include “Due Diligence” <p>5.1.4 eRFX or eAuction</p> <ul style="list-style-type: none"> Removed GP Request for Quotation Process and replaced with eAuction
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Global Supplier Performance Standards Manual (GSPSM)

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Rev 5

Page 3 of 29

			<ul style="list-style-type: none">• Referenced section 5.1.5 under quality and demonstrated performance• Added footnote to distinguish between eRFx and eAuction <p>5.1.4.1 SOA</p> <ul style="list-style-type: none">• Updated SOA title section and content by removing DSOA <p>5.1.4.2 FSOA</p> <ul style="list-style-type: none">• Updated FSOA title section and content by removing ISA <p>5.2.1.3 Packaging</p> <ul style="list-style-type: none">• Updated packaging label standards with clear direction, expectations, and added packing list requirements• Added illustrations of container label standard and packing list <p>5.2.1.5 LeanDNA</p> <ul style="list-style-type: none">• Removed LeanDNA Supplier Connect hyperlink• Added LeanDNA Knowledge Based hyperlink <p>5.2.1.6 Line of Balance (LOB)</p> <ul style="list-style-type: none">• Included LOB location via LeanDNA Portal <p>5.2.1.7 Advanced Shipping Notices (ASN)</p> <ul style="list-style-type: none">• Clarified ASN language in relation to EDI <p>6.0 PROCURE-TO-PAY (PTP): MATERIALS AND SERVICES</p> <ul style="list-style-type: none">• Added hyperlink Procure to Pay Procure-to-Pay (Purchase-to-Pay or PTP/P2P) <p>6.1 Procure-to-Pay (PTP) Invoicing and Payment</p> <ul style="list-style-type: none">• Added hyperlink Procure to Pay Procure-to-Pay (Purchase-to-Pay or PTP/P2P)• Edited hyperlinks for Golden Rules invoicing requirements for all regions <p>6.2 Supply Chain Finance (SCF)</p> <ul style="list-style-type: none">• Updated standard payment terms to 120 NPR• Updated instructions and hyperlinks to SCF educational material and provided password <p>8.0 RESOURCE SITES</p> <ul style="list-style-type: none">• Provided additional resource sites <p>9.0 DEFINITIONS</p> <ul style="list-style-type: none">• Arranged definitions in chronological order• Added definition for Code 39 <p>NOTE: Edited for format, grammar, syntax, and hyperlinks.</p>
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Global Supplier Performance Standards Manual (GSPSM)

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13-17.400.GLBL

Rev 5

Page 4 of 29

5	2025-04-17	2025-04-18	9.0 DEFINITIONS Updated the definition of 'Diverse Supplier'
Owner			
Name: chryssa.dislis@jci.com Title/Role: Sr. Global Program Manager – Procurement CoE			
Approvals			
Name: Duane Maier		Title/Role: Chief Procurement Officer	
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Table of Contents

1.0	Purpose.....	5
2.0	Scope.....	6
3.0	Responsibility	6
4.0	Global Supplier General expectations	6
4.1.	Management Standards	6
4.2.	Global Expectations for ISO Certifications	6
4.3.	Supplier Development	6
4.4.	Data Security	6
4.5.	Electronic Commerce	7
4.6.	Integrity, Ethics, and Sustainability	7
4.7.	Global Procurement Terms & Conditions.....	8
4.8.	Resilience.....	8
4.8.1.	Financial Assessment.....	8
4.8.2.	Business Continuity and Disaster Recovery Planning.....	9
4.9.	Environmental, Social, & Governance (ESG).....	10
4.9.1.	Supplier Diversity.....	10
4.9.2.	Ecovadis© Assessment	10
5.0	SUPPLIER AND PRODUCT ONBOARDING	10
5.1.	Supplier On-Boarding Process	10
5.1.1.	Supplier Validation and Vendor Master Setup.....	10
5.1.2.	Supplier Location and Contacts Profile (in addition to ERP setup)	11
5.1.2.1	Key Contacts	11
5.1.2.2	Key Locations.....	11
5.1.3.	eRFx or eAuction	12



Global Supplier Performance Standards Manual (GSPSM)

© Johnson Controls Inc. Proprietary
and Confidential—not for Distribution

13-17.400.GLBL

Rev 5

Page 5 of 29

5.1.4.	Supplier Operational Assessment (SOA) and Field Supplier Operational Assessment (FSOA) 12	
5.1.4.1	SOA.....	12
5.1.4.2	FSOA	13
5.2.	Product On-Boarding Process	13
5.2.1.	Material Requirements.....	13
5.2.1.1	Advanced Product Quality Planning (APQP)	13
5.2.1.2	Production Part Approval Process (PPAP) / Product Approval & Process Sign-Off (PAPSO) 14	
5.2.1.3	Packaging.....	14
5.2.1.4	Supply Chain Logistics	17
5.2.1.5	LeanDNA©	17
5.2.1.6	Line of Balance (LOB)	18
5.2.1.7	Advance Shipping Notices (ASN)	18
6.0	PROCURE TO PAY: Materials and Services	19
6.1.	Procure-to-Pay (PTP) Invoicing & Payment	19
6.2.	Supply Chain Finance (SCF)	20
7.0	PERFORMANCE MONITORING, RELATIONSHIP DEVELOPMENT & SUPPLIER ESCALATIONS.....	20
7.1.	Supplier Scorecard	20
7.2.	Quality Objectives: Parts Per Million (PPM)	21
7.3.	Deviation Process/Control	21
7.4.	Supplier Change Management	21
7.5.	Supplier Notification of Nonconforming Material	21
7.6.	Issue Resolution Information System (IRIS)	22
7.7.	Management Quality Review (MQR) Introduction	22
7.8.	Supplier Quarterly Business Reviews (QBRs)	22
7.9.	Supplier Escalations	23
8.0	RESOURCE SITES	24
9.0	DEFINITIONS	25

1.0 PURPOSE

At Johnson Controls (JCI) we are committed to providing safe, quality products and services. JCI's goal is to collaborate with our suppliers to exceed our customer's increasing expectations, achieving outstanding performance through best-in-class products, services, and processes. JCI expects suppliers to conduct their operation in a socially and environmentally responsible manner, aligning with JCI's values and policies.

To ensure suppliers meet JCI standards, JCI has developed the Global Supplier Performance Standards Manual (GSPSM) to drive value and collaboration with suppliers on key metrics.

2.0 SCOPE

The GSPSM applies globally to all JCI locations. This includes consolidated Joint Ventures and Affiliates involved in the procurement of equipment, products, materials, and services to JCI Direct, Indirect and Field Enterprise Operations for internal or resale use.

3.0 RESPONSIBILITY

All JCI suppliers providing equipment, products, materials, and services to JCI Direct, Indirect and Field Enterprise Operations are expected to comply with all requirements and expectations outlined in the GSPSM. Suppliers are responsible for reviewing, complying, and distribution of the GSPSM to their respective locations to ensure compliance.

4.0 GLOBAL SUPPLIER GENERAL EXPECTATIONS

4.1. Management Standards

JCI expects our suppliers to demonstrate their commitment to Integrity, ethics, environment, and quality. Key to this commitment is the implementation of appropriate quality, environmental, occupational health, and safety management standards.

The following table indicates JCI minimum expectations, or equivalent, as approved by JCI Procurement. Additional requirements to conduct business with JCI can be found within the GSPSM. Contact your local JCI Procurement representative for any additional requirements/expectations.

4.2. Global Expectations for ISO Certifications

Spend Type	Quality System Registration/Compliance	Environmental Management Registration/Compliance	Safety & Health Management Registration/Compliance
Direct Material Suppliers	ISO 9001:2015	ISO14001:2015	ISO 45001:2018
Indirect Material Suppliers - General	ISO 9001:2015	ISO14001:2015	ISO 45001:2018

4.3. Supplier Development

JCI will collaborate with our suppliers to establish development plans to ensure compliance and continuous improvement with respect to the requirements established in the GSPSM. The methods for executing the supplier development activities are established by each business and region as appropriate. Please use the links contained in the GSPSM to access the business and/or global requirements.

4.4. Data Security

Supplier shall take all appropriate legal, organizational, and technical measures to protect against unlawful and unauthorized processing of Personal Data and Confidential Information (“Confidential Data”). **Data security requirements for Supplier:** Supplier must protect Confidential Data from unauthorized processing and use appropriate security measures. Supplier shall maintain reasonable operating standards and security procedures, and shall use best efforts to secure Confidential Data through the use of appropriate physical and technical organization security measures as outlined in the [Data Access Agreement \(DAA\)](#). Key highlights of DAA:

- **Data security requirements for Supplier:** Supplier must protect Confidential Data from unauthorized processing and use appropriate security measures.
- **Buyer's rights to assess Supplier's security:** Buyer can request Supplier to complete a security questionnaire, provide access to information and software, and conduct penetration testing or other security assessment.
- **Supplier's obligations in case of Information Security Breach:** Supplier must notify Buyer within 48 hours, investigate, and remediate the breach, and provide assurances that it will not recur. Supplier must also undertake any remedial actions that Buyer may request, such as providing notice, credit monitoring, and fraud insurance.

4.5. Electronic Commerce

Through continuous improvement efforts in electronic commerce, JCI expects our Suppliers to support us in such collaborative improvement efforts. Tools such as [Ecovadis® Assessment](#), Electronic Data Interchange (EDI), [GEP Smart LeanDNA®](#), [Oracle® Transportation Management \(OTM\)](#), [Procure to Pay Procure-to-Pay \(Purchase-to-Pay or PTP/P2P\)](#), and [Gainfront \(formally Quantum\)](#) are used to support electronic commerce with our suppliers. The expectation is that JCI and the Supplier will use these applications as the primary means of communication for day-to-day collaboration.

4.6. Integrity, Ethics, and Sustainability

JCI’s commitment to ethics and integrity benefits communities and the world — while improving our shareholder value, reputation, productivity, and employee retention. The policies and initiatives which govern the way we do business and expect all our suppliers to abide by are noted below:

- [Climate Change Policy](#) and [Position](#), commitments on energy and climate change guides us on how to reduce our carbon footprint both internally and within our Supply-Chain.
- [Conflict Minerals Policy and Report](#) defines the responsible sourcing conflict minerals throughout our Supply-Chain.
- Our belief in ethical, transparent [Corporate Governance](#).
- Our commitment to [Diversity and Inclusion](#).
- [Facility Siting Statement](#) JCI reviews facility siting to fully understand the climate, land-use change, biodiversity, and nature implications associated with development.
- [Global Environmental, Health, & Safety \(EHS\) Policy](#) identifies key operating principles in conducting business, which is protective of health, safety, and the environment.
- [Human Rights and Sustainability Policy](#) which affirms our adherence to global standards.
- [Integrity Helpline](#) which allows the reporting any suspected violations.

- [Political Contributions Policy](#) guides political contributions and activities to ensure compliance with applicable federal and state laws and go beyond compliance to implement leading practices in accountability and transparency.
- [Slavery & Human Trafficking Policy](#) and [Statement](#) which demonstrates our commitment to conducting our business in a manner that respects human rights.
- [Sustainability Report and Disclosures](#) At JCI we do what we say we will do and are transparent about where we can improve.
- [Values First the JCI Code of Ethics](#)

Suppliers are expected to uphold the highest integrity and Ethical standards to include:

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

4.7. Global Procurement Terms & Conditions

JCI expects all its suppliers to abide by its key policies, processes, Terms and Conditions of Purchase:

- [Global Terms and Conditions of Purchase](#)

If a supplier is unable to locate these documents, please contact your JCI Procurement contact.

4.8. Resilience

4.8.1. Financial Assessment

JCI seeks to comprehend both its own financial well-being and that of its business partners, assessments of a supplier's financial health are a crucial tool in due diligence and on-going monitoring activities. Evaluating the financial health of suppliers is an essential component of JCI's Category Strategy (CS), Sourcing Board (SB), Supplier Business Continuity (SBC), and Preferred Supplier List (PSL) processes. Additionally, a financial health assessment of suppliers may be requested by a Category Manager, Leadership, or Supplier Owner.

To achieve this goal JCI partners with a Third-Party financial health assessment provider, [RapidRatings®](#), to routinely evaluate suppliers. When contacted by [RapidRatings®](#) to participate on behalf of JCI, we expect suppliers to engage with this program. Participation will:

- Strengthen our business relationship by building confidence, trust, longevity, and alignment.
- Improve transparency enabling JCI to support and collaborate with you.
- Ensures uninterrupted service to our JCI customers, now and in the future.

The process is simple. If selected for participation in the [RapidRatings®](#) financial assessment, you will receive a request from [RapidRatings®](#) on behalf of JCI. You will be asked to provide financial information and/or documents through [RapidRatings®](#)' secured portal. Your information is only accessible to [RapidRatings®](#) for the purpose of evaluation; JCI will never have access to the source information through this process. JCI receives only an analysis report based on the information provided. A JCI representative may follow up to discuss observations from the analysis report.

4.8.2. Business Continuity and Disaster Recovery Planning

Business Continuity and Disaster Recovery Planning is important to JCI for our own operations and along our supply chains. We expect suppliers to maintain appropriate plans, tools, processes, and governance to assure continuity within their own operations and within their supply chains. JCI suppliers must ensure their business continuity planning activities support delivery and performance commitments and align with sound, industry best practices (such as ISO Standards). Continuity plans should prioritize activities to:

- Protect employees and potentially save lives.
- Maintain operations during and after a disruptive event.
- Build / strengthen customer confidence and trust.
- Safeguard company reputation.
- Minimize loss of revenue.
- Reduce exposure to risks that could result in further financial impacts.
- Assure suppliers make similar requirements of their own priority suppliers and oversees them appropriately.

Some ISO Standards related to Business Continuity Management include, but are not limited to, the following:

ISO Standard (or newer as published)	Title of Standard
ISO/TS 22318:2021	Security and resilience - Business continuity management systems - Guidelines for supply chain continuity management
ISO 22301:2019	Security and resilience - Business continuity management systems - Requirements
ISO 22313:2020	Security and resilience - Business continuity management systems - Guidance on the use of ISO 22301
ISO/IEC 27031:2011	Information technology - Security techniques - Guidelines for information and communication technology readiness for business continuity

ISO 9001:2015	Quality management systems - Requirements
ISO 14001:2015	Environmental management systems - Requirements with guidance for use
ISO 45001:2018	Occupational health and safety management systems - Requirements with guidance for use

JCI may require suppliers to participate in self-assessments and/or facilitated on-site or operational assessments to review/validate the efficacy of the supplier’s business continuity planning (see the Supplier On-Site Assessment (SOA)) section below).

4.9. Environmental, Social, & Governance (ESG)

4.9.1. Supplier Diversity

JCI’s supplier diversity program is successful because of accountability, training, and supplier diversity processes that extend into our customer and supplier networks. Supplier Diversity is approached as a discipline that is not confined to one department, geography, or an elite group of star performers. All the operational, commercial, and advanced supplier diversity activities are tied together with standardized processes company wide.

- [Supplier Diversity | Johnson Controls](#)
- [Diverse Vendor Profile & Spend Report; Gainfront \(Quantum\)](#)

4.9.2. Ecovadis© Assessment

As an alternative to the supplier sustainability rating survey, JCI has chosen EcoVadis©, a global sustainability rating company based on international standards, to conduct individual sustainability performance assessments of our supply chain partners.

EcoVadis© assessments scores can be substituted for sustainability ratings in the supplier scorecard. EcoVadis© will equip you with the tools and understanding to actively participate in our supply chain sustainability activities.

- [Ecovadis© Assessment](#)

5.0 SUPPLIER AND PRODUCT ONBOARDING

5.1. Supplier On-Boarding Process

5.1.1. Supplier Validation and Vendor Master Setup

JCI suppliers are required to undergo Due Diligence and may need to submit documentation based on the region of operation (e.g., W8/W9, bank information on official letterhead, etc.). For further information, please consult your Category Manager regarding the Supplier Add/Change process requirements.

5.1.2. Supplier Location and Contacts Profile (in addition to ERP setup)

Along with payment/remittance details gathered through ERP Supplier Validation and Vendor Master setup, JCI leverages a separate, global vendor information management system to gather and maintain supplier profiles, including supplier contacts and locations, used in everyday communications and emergency response situations.

5.1.2.1 Key Contacts

Suppliers who already have or are asked to create a profile on the [GEP SMART™](#) system are expected to provide and maintain contact details (names, titles, phone, and email) for the following key roles where applicable:

- Sales, Account Representatives and Customer Care
- Build/RFP, Contract, Catalog and Ordering
- Accounts Payable and Receivable
- Safety and Operations
- IT and Information Security
- Regulatory and Trade Compliance
- Executive leaders including President/CEO and leaders for key functions (Sales, Product Management, Quality, Manufacturing/Production Operations, Distribution, Information Security, etc.)

5.1.2.2 Key Locations

Suppliers who already have or are asked to create a profile on the [GEP SMART™](#) system are expected to provide and maintain location details (address with street, city, state/province, country, and postal codes) for key locations involved in the production and delivery of goods and services to JCI such as:

- Headquarters
- Manufacturing / Production / Fabrication / Assembly / Testing
- Data Centers
- Distribution Hubs
- Service Locations

JCI leverages the [GEP SMART™](#) tool for gathering and maintaining such data. The tool includes a self-service supplier portal. Suppliers who already have or are asked to create a profile on the system are expected to review and update their [GEP SMART™](#) profile details at least annually and respond in a timely fashion when requested to make additional updates.

Please see the [GEP SMART™ Suppliers Quick Reference Guide](#) for more information about creating and maintaining a supplier profile. Registration and access to the [GEP SMART™](#) platform is by invitation from JCI.

5.1.3. eRFX or eAuction

JCI reserves the right to award business to one or more suppliers through the eRFX or the eAuction process in [GEP SMART™](#). JCI will seek to identify the supplier(s) which most closely matches its service and cost expectations. The full value of each proposal will be carefully analyzed before reaching a decision.

Primary selection criteria include:

- Pricing (unit cost and total cost of ownership)
- Ability to meet JCI product and/or service requirements.
 - Capability – Infrastructure, People, Technology & Innovation
 - Capacity to meet JCI's requirement
 - Delivery lead time or service completion time
 - Quality and demonstrated performance (see section 5.1.5.)
 - Manufacturing, service, sales & support footprint/availability
 - Breadth of product range
 - Global and Regional coverage
- Payment and Warranty terms
- Risk assessment including financial stability and operational resilience
- Ease of implementation
- References

NOTE: eRFX and eAuctions are both bidding events. eRFX is asynchronous, while eAuction bidding happens in real time.

5.1.4. Supplier Operational Assessment (SOA) and Field Supplier Operational Assessment (FSOA)

5.1.4.1 SOA

A Supplier Operational Assessment (SOA) may be conducted by a member of the Global Supplier Quality & Development Excellence team or their designee prior to the award of production orders and/or being placed on JCI PSL.

- The SOA -comprises a series of questions to audit the supplier in Quality, Commercial, Materials, Engineering, Leadership and Sustainability.
- The SOA process will normally start with a request to the supplier to complete a Self-Assessment outlined within the SOA file. That will be followed by either a virtual/desktop assessment, or an onsite assessment. When the SOA is completed, there may be a follow up visit scheduled to validate and close out the actions identified during the initial SOA.
- During the SOA, the JCI representative(s) will review each section by evaluating and validating, but not limited to, supporting/relative

documentation, manuals, production operations, interviewing direct and indirect personal and issuing action requests should the minimum requirements not be met.

- All findings will be discussed during the assessment and/or closing meeting with the supplier. Actions, due dates, and person/department responsible will be assigned during the closing meeting and/or after the completed assessment has been submitted to the supplier.
- Suppliers are required to actively engage in this development process to ensure that all actions are closed by the agreed dates, which in turn will enable the assessment score to increase to meet the required level while minimizing any identified risks to JCI.
- The SOA will be completed as part of the supplier onboarding process but will also be performed at least every 5 years at key strategic suppliers. However, an assessment may be requested at any time due to low performance or any significant changes such as factory relocations or new process introductions.
- The SOA assessment process may be substituted or supplemented using Quality Best Business Practice (QBBP) which enables a more detailed process focused audit.
- The SOA may be performed on a reduced version if the supplier is ISO certified (ISO 9001, IATF 16949, AS9100, etc.).

5.1.4.2 FSOA

The process serves the same basic purpose as the SOA outlined above but is used with Indirect Suppliers, while the Field Supplier Operational Assessment (FSOA) is used for sub-contractor onboarding to the APAC Field business within JCI.

5.2. Product On-Boarding Process

Product On-Boarding is the Production Part Approval Process (PPAP) / Product Approval & Process Sign-Off (PAPSO) development process in which the business requirements and specifications are reviewed and assessed, such as sample testing/approval, Design Failure Mode and Effect Analysis (DFMEA) development/review, drawing accuracy, Critical to Quality (CTQ)/technical aspects, as well as capability studies which are requested/conducted to assess the manufacturability and risk to both Johnson Controls and the Supplier.

5.2.1. Material Requirements

5.2.1.1 Advanced Product Quality Planning (APQP)

Advanced Product Quality Planning (APQP) is a structured method of defining and establishing the steps necessary to assure that a product satisfies customer as defined by the Auto Industry Action Group (AIAG). JCI requires its suppliers to have a documented APQP process to support launch activities.

5.2.1.2 Production Part Approval Process (PPAP) / Product Approval & Process Sign-Off (PAPSO)

The PPAP/PAPSO process and requirements followed by JCI are aligned with the AIAG process. The JCI plants will be supported where required by the Global Supplier Quality & Development Excellence (SQDE) team to ensure supplier readiness for PPAP submission.

Where the PPAP/PAPSO requirements are not clear or the deliverables are not clearly understood, the supplier must engage with their JCI quality contact to review the PPAP/PAPSO process as defined in JCI procedure BE-PDP-PR-08-E Product Approval and Process Sign-Off PAPSO, which can be shared upon request.

Suppliers are required to have a Part Submission Warrant (PSW) approved by the JCI Quality Manager or Designee to supply products or services to JCI. An interim PSW approval is acceptable in some cases as defined and agreed by JCI.

5.2.1.3 Packaging

Supplier will properly pack, mark, and ship products according to the requirements of JCI, the involved carriers, and the country of destination. Standard packaging guidelines are available from JCI. Shipment packaging and labelling should be approved by JCI as part of the PPAP/PAPSO process utilizing JCI’s Supplier Packaging Container Qualification Form or equivalent. All labels affixed to a container must be a barcoded, scannable and contain the following information:

- **General Information**

- All blocks contain human readable data as indicated below in Figure 1
- Barcodes are required in Blocks as indicated below in Figure 1
- 1D codes are required to be Code 39 symbology
- Bar Codes should be minimum 10mm in height unless otherwise specified
- The acceptable label size is 4.0 inches (101.6mm) high by 6.0 inches (152.4mm) wide

Figure 1 illustrates a Container Label Standard example and placement. Below is the required data for each field (block).

- **Block A1-**
 - From: Supplier Address, human readable, three lines
 - International Build Statement country of origin (e.g., Made in USA)
- **Block A2-**
 - To: JCI plant address, human readable, three lines

- **Block A3 -**
 - Part Revision Level (human readable only)
- **Block B1-**
 - JCI Part Number, human readable, 10mm tall (minimum)
 - JCI Part Number, barcoded, Code39, 12mm tall (minimum)
- **Block B2-**
 - Manufacturing Lot #, human readable, 7mm tall (minimum)
 - Manufacturing Lot #, barcoded, Code39, 7mm tall (minimum)
 - Manufacturing Date, human readable, 7mm tall (minimum)
- **Block C1–**
 - Quantity, human readable, 10mm tall (minimum)
 - Quantity, barcoded, Code39, 12mm tall (minimum)
 - UoM: (Unit of Measure), human readable, 10mm tall (minimum)
- **Block C2-**
 - Serial Number (if applicable), human readable, 7mm tall (minimum)
 - Serial Number (if applicable), barcoded, Code39, 7mm tall (minimum)
- **Block D1-**
 - PO#: (Purchase Order number), human readable, 8mm tall (minimum)
 - PO#: (Purchase Order number), barcoded, Code39, 10mm tall (minimum)
- **Block D2 –**
 - Blank (Reserved for future use)

Figure 1 illustrates a Container Label Standard example and placement.



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13-17.400.GLBL

Rev 5

Page 16 of 29

Block A1	Block A2	Block A3
Block B1		Block B2
Block C1		Block C2
Block D1		Block D2

FROM: SUPPLIER Street Address City State, Zip Country of Origin	TO: JCI – Plant Street Address City State, Zip	REV LEVEL: XXX
JCI PART NUMBER: XXXXXXXXXX 		Lot #: XXXXXXXXXX  Mfg Date: MM/DD/YYYY
QUANTITY: ###,### 	UoM: PCS	SERIAL #: XXXXXXXXXX 
PO #: ##### 		

Figure 2 illustrates a Pack List Sample

XYZ INDUSTRIES CORPORATION
1234 Main Street/ Oklahoma City, OK 73129
Office: (999)999-9999 / Fax: (555)555-5555

Packing List

W197923
①

Ship Date 08/18/23
Freight PPD
FOB Destination
Ship VIA TRUCK
Sales Order# W182211
Purchase Order# 4000010555
RMA Number

③ Customer # 210
York International
Ship Name York International
Ship Add. 5005 Interstate Dr North
City/State/Zip Norman, OK 73069
Phone
Fax

Qty	UOM	Part Number	Description	Sales Order#	Purchase Order#
④ 50	⑤ nca	⑥ WSB24 ²	24 x 24 x 24 RSC 200# C-Elite_Klt Pin (SB: 24x24x24) Rev A ⑦	W182211	4000010555 ⑧

1. Packing Slip number
2. Purchase order number. One PO per packing slip is the cleanest match if multiple POs the PO# must be on each line
3. Customer Name and Address
4. Quantity must be equal to our less than PO quantities or PO must be increased. Contact purchasing Agent to increase PO quantity PRIOR to shipment if needed
5. Unit of measure must match the negotiated unit of measure
6. JCI Part Number must match negotiated part number
7. Description must match negotiated description
8. PO Line #(s) included on packing slip
9. Barcodes for all key items (Pack list, PO, Qty, and Part Number, ASN#)
10. Packed Date and Load ID#
11. Invoice Number
12. User ID responsible for Pack Slip
13. Carrier/Customer Signature Area

5.2.1.4 Supply Chain Logistics

Products shall be delivered to the address or location specified in the Order (the "JCI Location") during JCI's normal business hours. Incoterms 2020 will apply to all shipments except those entirely within the USA. Shipments originating in and shipped entirely within the USA shall be shipped FCA (loaded) at the Seller's final production location, using Buyer's transportation.

Product prices include storage, handling, packaging and all other expenses and charges, duties, and taxes, but excludes any governmentally imposed value added tax (VAT), which must be shown separately on Seller's invoice for each shipment.

Please locate the most current routing guide at our Oracle® Transportation Management (OTM) Logistics site here:

- [OTM Routing Guides for JCI](#)
- For suppliers needing access to OTM Logistics site please access instructions:
 - [Routing Guides \(johnsoncontrols.com\)](#)
 - Password: johns

5.2.1.5 LeanDNA®

[LeanDNA®](#) is a planning and inventory management solution that will empower our business to reduce excess inventory, deliver on time and establish operational command of JCI's inventory operations. [LeanDNA®](#) is a third-party solution partnering with JCI to provide solutions to many of the JCI inventory and planning operations. It is expected and understood that all direct material suppliers will participate in [LeanDNA®](#) to the full extent of their capabilities.

Every direct material supplier that is connected to a JCI location is automatically enrolled in the LeanDNA tool. It is the responsibility of each supplier to provide a minimum of two (2) key contacts that will manage the data inside LeanDNA. Supplier engagement is a key metric that JCI will tie back to the supplier scorecard. This metric will measure the frequency and completeness of the data that is being provided via the LeanDNA tool. It is the expectation of JCI that the suppliers will maintain a minimum compliance score in LeanDNA.

LeanDNA provides a comprehensive Knowledge Base section that is the most current and up to date locations for updates and/or changes in the LeanDNA solution. It is the recommendation of LeanDNA and of JCI to utilize this Knowledge Base repository to assist with help or questions. The supplier must be set up in LeanDNA and have a user account created before access to the Knowledge Base is permitted.

[LeanDNA Knowledge Base](#)

5.2.1.6 Line of Balance (LOB)

The line of balance (LOB) will be provided by JCI via the LeanDNA portal, or in some cases, is available on the supplier portal in various ERP systems. The LOB will provide details regarding the current and future demand at the JCI location, including the quantity and date required for the supplier to provide the requested materials.

5.2.1.7 Advance Shipping Notices (ASN)

An advance shipping notice (ASN) is the electronic transfer of shipment data from a supplier to a customer. JCI has made ASNs a standard expectation upon implementation of EDI. EDI is the electronic communication between the JCI ERP system and the supplier ERP system. The data transfer would be electronic and seamless between the ERP systems. Until a supplier has EDI capability an emailed ASN must be provided. The customer plant utilizes the information contained within the ASN in two ways:

- Determine and confirm goods in transit.
- Verification against the shipment as product is received.

Accuracy is imperative to maintain the integrity of information related to inventory records, ERP/supplier schedules, and invoice payments. ASN timeliness is critical to information accuracy and functionality.

The ASN must be created upon finalization of the shipment and be received by JCI within one hour of the time the shipment leaves the supplier's shipping location and prior to its arrival at the JCI plant.

All shifts in a facility must be capable of sending the ASN to meet these requirements. Confirmation of ASN receipt is available to suppliers (contact the JCI plant for availability). For the ASN to be successfully transmitted to the JCI

plant, the ASN must contain all the SPECIFIED INFORMATION listed below. ASN's received without a Bill of Lading (BOL), Packing list or Invoice number fail our rules and is not received, and a Discrepant Material Report (DMR) will be issued for failure to send an ASN:

- BOL Number, Packing List, or Invoice number: Must be barcoded
- Shipment date/time
- Gross weight of shipment
- Net weight of shipment
- Total Bill of Lading quantity (e.g., # of cartons)
- Standard Carrier Alpha Code (SCAC)
- Mode code (e.g. "E" for Expedite, "A" for Air, etc.)
- Pool points location (if applicable)
- Tracking or Pro number
- Packing slip number(s)
- Ship from location (our supplier code or supplier DUNS Code)
- Ship to location(s) (our plant code(s) including dock code(s)) or DUNS Code
- Part number - Must be barcoded
- Engineering change level (Part)
- Quantity shipped - Must be barcoded
- Unit of measure
- Purchase order or Schedule Agreement number, line, release– Must be barcoded
- Number of cartons shipped of each part
- Quantity per carton EDI SPECIFICATIONS
- Shipment mode, i.e., LTL, Truck load
- Carrier Name
- Planned Delivery Date

6.0 PROCURE TO PAY: MATERIALS AND SERVICES

At JCI, we continuously strive to make Procure-to-Pay a seamless process, from point-of-order to payment, driving efficiency, effectiveness, and enhancements to our internal controls. Therefore, we continually focus on compliance with our [Procure to Pay Procure-to-Pay \(Purchase-to-Pay or PTP/P2P\)](#) and collaborate closely with our suppliers to provide clear definitions and expectations to ensure process adherence.

6.1. Procure-to-Pay (PTP) Invoicing & Payment

[Procure to Pay Procure-to-Pay \(Purchase-to-Pay or PTP/P2P\)](#) is the process of obtaining and managing the goods and/or services needed for manufacturing a product or providing a service. The process involves the transactional flow of data that is sent to our suppliers, the data surrounding the fulfilment of the actual order and payment for those products or services.

It is important for our suppliers to follow the instructions in the link above to ensure payments are processed on time.

- [Golden Rules Invoicing Requirements North America](#)
- [Golden Rules Invoicing Requirements Latin America](#)
- [Golden Rules Invoicing Requirements Europe, Middle East, and Africa](#)
- [Golden Rules Invoicing Requirements Asia-Pacific](#)

6.2. Supply Chain Finance (SCF)

JCI Standard Payment terms are 120 NPR (Next Payment Run) for material and service vendors or 120 NPR PWP (Next Payment Run Pay-When-Paid) for subcontractors to align with benchmarks and competitors. This allows us to maintain our competitive position in the industry and grow our business with you.

[Supply Chain Finance \(SCF\)](#) is a working capital solution that optimizes cash flow by allowing businesses to lengthen their payment terms to their suppliers while providing the option for their suppliers to get paid early without debt. To discover more about the SCF program and view our on-demand recordings, please navigate to the education page for your region, which is password protected. Use the case-sensitive password 'ingenuity' to gain access.

- [North America Supply Chain Finance Education Page](#)
- [EMEA Supply Chain Finance Education Page](#)

To view the appropriate recording, please select the video option based on your supplier type and the known or projected annual spending that JCI spends or will spend with your company. If you are in the APAC or LATAM region, then please email the SCF team using the emails below to find out more:

- [APAC Supply Chain Finance Team](#)
- [LATAM Supply Chain Finance Team](#)

7.0 PERFORMANCE MONITORING, RELATIONSHIP DEVELOPMENT & SUPPLIER ESCALATIONS

7.1. Supplier Scorecard

The supplier scorecard provides a structured and objective way for businesses to assess the performance of their suppliers, identify areas for improvement, and establish clear expectations for future performance. By regularly monitoring and reporting on supplier performance using a scorecard, JCI can build stronger relationships with our suppliers, improve supply chain efficiency, reduce risk, and drive better business outcomes. JCI Supplier Scorecard Category Distributions are:

- Quality
- Cost
- Delivery

- Environmental, Social, and Governance
- Resilience

7.2. Quality Objectives: Parts Per Million (PPM)

One of the measurements of Quality Performance of suppliers is defective Parts Per Million (PPM). Suppliers are expected to establish both internal and customer PPM, have defined internal and

external goals and have evidence of meeting them.

The expectation for supplier performance is 0 PPM (zero defects), while a maximum of 60 PPM is required to achieve full points on the Supplier Scorecard.

Product received by JCI facilities that is identified as nonconforming to the drawing, specifications and/or agreed upon standards will be counted against a supplier's PPM record. Quantities will be reported in the units of measure in which they are purchased.

If the supplier identifies, communicates, and takes appropriate action to contain and correct a potential problem before the problem is identified or the parts are used at a JCI site, then the parts will not be counted against PPM.

7.3. Deviation Process/Control

The supplier is responsible for meeting all the requirements of the purchase order, drawings and

specifications or applicable Industry Standards (e.g., EIA, ASTM). When requesting a deviation, the request must include:

- A statement outlining the deviation(s)
- The specific clause being deviated from
- The corrective action to be taken for future supplies
- Personnel responsible for implementing the corrective action
- Affected lot numbers and quantities
- Estimated date by which the corrective action will be implemented to prevent the nonconformance from recurring

7.4. Supplier Change Management

Supplier shall establish an internal change management process. All the changes regarding the 4M1E (Man, Machine, Material, Method, and Environments), which will cause a non-conformance with existing PPAP/PAPSO records, must be submitted to JCI for approvals before implementation.

7.5. Supplier Notification of Nonconforming Material

Suppliers are notified of non-conforming material or service through a documented rejection notice. This document is issued whenever purchased material or service is identified which does not conform to quality requirements.

- An administrative fee may be assessed for each Rejection Document to capture Johnson Control's cost for managing supplier nonconforming material.

This will normally be issued via the IRIS platform (ref. next section) in the form of a Supplier Chargeback (SCB) which may also include all extraordinary (Cost of Poor Quality (COPQ)) and/or administrative cost associated with SMRR's (Supplier Material Rejection Reports) (\$100 USD admin fee) & DMR's (\$250 USD admin fee).

- Within 24 hours of being notified of an issue, suppliers are required to send a written interim containment plan to their designated JCI Supplier Quality contact using the 4D/8D methodology. If the JCI Supplier Quality contact requests a different response time, that should be followed instead.
- When requested by the appropriate JCI Supplier Quality contact, suppliers are expected to communicate the results of their problem-solving efforts in writing using the 8D approach within a time frame of seven (7) to thirty (30) calendar days. If the supplier is unable to resolve the quality issue within the specified timeframe, they must provide weekly updates using the 8D approach until the problem is resolved, unless otherwise specified.

7.6. Issue Resolution Information System (IRIS)

JCI has implemented the Issue Resolution Information System (IRIS) software to track resolution of quality and material issues. Links below provide further details on the IRIS Program:

- [Issue Resolution Supplier Communication Letter \(PDF\)](#)
- [Issue Resolution Supplier Training \(PDF\)](#)

7.7. Management Quality Review (MQR) Introduction

Management Quality Review (MQR) meetings are held to analyze and review current problem situations (quality, delivery, or other issues). Supplier accountability and response will be the focus.

An MQR may be arranged if a supplier is considered responsible for an issue that results in:

- Product Safety characteristic as defined on the print does not meet Process Performance Index (PPK), Capability Performance Index (CPK) requirements.
- Production was suspended due to supplier's product quality or part shortage.
- A sort or rework at JCI and / or customer completed due to supplier's product quality.
- One of the poorest performing suppliers during a given period.
- Poor delivery performance affecting JCI Operations.

The purpose of an MQR is to emphasize and prioritize high-risk problems.

7.8. Supplier Quarterly Business Reviews (QBRs)

Quarterly Business Reviews (QBRs) provide an opportunity for JCI Category Management, Internal Stakeholders, and Suppliers to meet and assess a supplier's performance against Key Performance Indicators (KPIs). The goals of a QBR (Quarterly Business Reviews) are to review:

- Alignment (realignment) of Goals
- Benchmark Data and Metrics
- Supplier Scorecard
- Performance Assessment
- Notable Risk Observations (ex: financial stability ratings and operational resilience related to business continuity and disaster recovery planning)
- Strategic Roadmap

7.9. Supplier Escalations

JCI Category Management collaborates closely with suppliers to understand their capabilities, negotiate contracts, and monitor performance. In the event of an escalation, Category Management would be responsible for managing the issue and collaborating with the supplier to find a resolution.

By collaborating with suppliers and internal stakeholders, Category Management can help ensure that the organization is getting the best value from its suppliers while minimizing risks and maximizing efficiencies.

8.0 RESOURCE SITES

- [Climate Change Policy and Position](#)
- [Conflict Minerals Policy](#)
- [Corporate Governance](#)
- [Data Access Agreement \(DAA\)](#)
- [Diverse Vendor Profile & Diverse Spend Report \(Gainfront\)](#)
- [Ecovadis© Assessment](#)
- [EMEA Supply Chain Finance Education Page](#)
- [GEP SMART™ Login Page](#)
- [GEP SMART™ Suppliers Quick Reference Guide](#)
- [Global Environmental, Health, & Safety \(EHS\) Policy](#)
- [Global Products Request for Quotation](#)
- [Golden Rules Invoicing Requirements Asia-Pacific](#)
- [Golden Rules Invoicing Requirements Europe, Middle East, and Africa](#)
- [Golden Rules Invoicing Requirements Latin America](#)
- [Golden Rules Invoicing Requirements North America](#)
- [Human Rights and Sustainability Policy](#)
- [Integrity Helpline Diversity and Inclusion](#)
- [Issue Resolution Supplier Communication Letter \(PDF\)](#)
- [Issue Resolution Supplier Training \(PDF\)](#)
- [LeanDNA©](#)
- [LeanDNA Knowledge Base](#)
- [North America Supply Chain Finance Education Page](#)
- [OTM Routing Guides for JCI](#)
- [Political Contributions Policy](#)
- [Procure-to-Pay \(PTP\) Invoicing & Payment](#)
- [Quantum](#)
- [RapidRatings®](#)
- [Routing Guides \(johnsoncontrols.com\)](#)
- [Slavery & Human Trafficking Policy and Statement](#)
- [Supply Chain Finance \(SCF\)](#)
- [Supplier Diversity | Johnson Controls](#)
- [Values First the JCI Code of Ethics](#)

9.0 DEFINITIONS

- **4D:** Problem solving approach can help in providing you with the necessary toolkit to approach a problem and solve it in a structured manner.
- **8D:** The purpose of the 8D methodology is to identify, correct, and eliminate recurring problems, making it useful in product and process improvement.
- **Approved Supplier:** Has completed the due diligence as defined and is in an Active/Approved Supplier Status in the Enterprise Resource Planning (ERP) system.
- **Advanced Shipping Notice or Advance Ship Notice (ASN):** Is a notification of pending and upcoming deliveries matched to the provided packing list. It is usually sent in an electronic format and is a common EDI document.
- **Business Continuity and Disaster Recovery (BCDR) Planning:** Supplier Maintenance of appropriate plans, tools, processes, and governance to assure continuity within own operations and within their supply chains. Suppliers must ensure their business continuity planning activities support delivery and performance commitments and align with sound, industry best practices.
- **Capital Tooling and Equipment Spend:** Refers to spend related to any equipment used in production and production support facilities such as the labs, aftermarket sales and support, excluding facility repairs and improvements.
- **Category Strategy: A category significant to JCI requiring a long-range/long-term procurement strategy.** A Global Category Strategy list will be managed by the Commodity Strategy Director/Indirect Buyer.
- **Category: Material or service groups with similar characteristics managed by Procurement, this may be interchangeably used with the term commodity.**
- **Conflict of Interest:** Due Diligence and Supplier Add / Change criteria which require the Business Requester and Approver to verify that they have no financial or beneficial interest in the Supplier.
- **Capability Performance Index (CPK):** Process Capability Performance Index or CPK which predicts whether a process has the potential to meet certain specifications.
- **Code 39:** Is a common barcode type used for various labels such as name badges, inventory, and industrial applications. The symbology of the Code 39-character set consists of barcode symbols representing numbers 0-9, upper-case letters A-Z, the space character, and the following symbols: –. \$ / + %. The symbology consists of narrow and wide bars that represent the encoded data, with each character represented by a sequence of nine bars, three of which are wide.
- **Contract Lifecycle Management (CLM):** Is the initiative-taking, methodical management of a contract from initiation through award, compliance, and renewal.
- **Cost of Poor Quality:** Is defined as the costs associated with providing inferior quality products or services.
- **Direct Spend:** Refers to purchase of goods directly incorporated into a product being manufactured. These materials are included in the bill of materials. This includes raw materials, aftermarket parts, finished goods.

- **Discrepant Material Report** or DMR: Is used to report nonconforming material. It indicates that a manufacturer should perform a corrective action preventive action (CAPA) to resolve the situation. The report is useful for launching deviations and submitting supplier corrective action requests (SCARs).
- **Diverse Supplier:** A business enterprise that is at least 51% owned by individuals or, in the case of a publicly-owned business, at least 51% of the stock is owned by one or more individuals that manage and control the daily operations, and who are minority-owned, woman-owned, veteran-owned, LGBTQAI+ owned and disability-owned business enterprises, that have been certified by the National Minority Supplier Development Council (NMSDC), Women’s Business Enterprise National Council (WBENC), National Veteran’s Business Development Council (NVBDC), National LGBT Chamber of Commerce (NGLCC), DisabilityIN, and/or a mutually approved third party certifying organization (“Approved Certifying Agency”) or historically underutilized business based on local country definitions.
- **Ecovadis:** EcoVadis, a global sustainability rating company based on international standards, conducts individual sustainability performance assessments of our supply chain partners.
- **Electronic Data Interchange (EDI)** - Is the computer-to-computer exchange of business documents in a standard electronic format between business partners.
- **Enterprise Resource Planning (ERP) System:** A business system that serves as a database to store the procurement vendor master records, issue purchase orders or issue payments.
- **eRFX** – In procurement technology, eRFX (or ERFEX) is an acronym for electronic request for [x], where x can be Proposal (RFP), Quotation (RFQ), Information (RFI) or Tender (RFT).
- **Field Spend:** Refers to the purchase of material goods or subcontract services being procured by a JCI branch location and resold directly to an end customer (COGS (Cost of Goods Sold)) to support a specific project or service requirement. This spending is non-manufacturing/factory spending related to customer/client job cost.
- **GEP SMART™:** Procurement software platform which unifies upstream sourcing and downstream procurement operations into one state-of-the-art cloud platform with a powerful, complete set of capabilities for direct as well as indirect spend management.
- **Global Suppliers Performance Standards Manual:** The purpose of the Global Supplier Performance Standards Manual (GSPSM) is to communicate JCI requirements to suppliers providing materials, products and/or services (individually and collectively, “Products”) to JCI in support of our Building Technology & Solutions (BT&S (Building Technology & Solutions)) Division and Enterprise Corporate functions. It is the expectation of JCI that all suppliers of Direct Material, Field Material & Service, and Indirect Material & Service comply with all the requirements and expectations documented in the GSPSM.
- **Global Supplier Quality & Development Excellence (GSQDE):** Supplier quality is a supplier’s ability to deliver goods or services that will satisfy customers’ needs. Supplier quality management (SQM) is defined as the system in which supplier quality is managed by using an initiative-taking and collaborative approach.
- **In Scope Third Party (3P) Suppliers:** A Supplier relationship that requires additional Legal Compliance evaluation due to the supplier business.

- **Indirect Spend:** Refers to the purchase of goods and services not directly incorporated into a product being manufactured, not included in the bill of material and not billable to a field/customer project. These are typically products and services such as MRO (Maintenance, Repair, Operations), office supplies, dues/membership, education, entertainment, and meetings.
- **Indirect Supplier Assessment (ISA):** Process serves the same basic purpose as the SOA. To aid in evaluating our Indirect Suppliers, the ISA workbook evaluates four (4) areas: Health & Safety, Environmental, Quality and Process
- **ISO - SO (International Organization for Standardization):** is an independent, non-governmental international organization. International Standards covering all aspects of technology, management, and manufacturing.
- **LeanDNA®:** Cloud-based actionable intelligence platform, with powerful analytics and best practices operational dashboards.
- **Manufacturing Agreements:** Custom, Private/white label, or Joint Development (JDA)
- **Management Quality Review (MQR):** MQR meetings are held to analyze and review the current problem situation (quality, delivery, or other problems). Supplier accountability and response will be the focus.
- **Next Payment Run (NPR) or Monthly Payment Run (MPR):** Payments Terms are all on the next or monthly payment run from invoice receipt date.
- **Oracle® Transportation Management (OTM):** Is a cloud-based system with robust features for end-to-end transport management, from initial planning to execution. It enables transport managers to streamline logistics, enhance service levels, and optimize freight costs.
- **Part per Million or PPM:** Means parts per million. PPM is in the automotive industry and established KPI (Key Performance Indicator) to measure your quality performance. Example: 1PPM means that you got one defect within one million parts produced.
- **Preferred Supplier List:** List of suppliers for use by JCI as an outcome of the Category Strategy Process. A supplier may be Preferred, Non-Preferred, Evaluate or Directed and can be used as defined in the preferred supplier list.
- **Process Performance Index or PPK:** Evaluates how a process has performed and whether it is meeting specifications or not.
- **Procure-to-pay (also known as Purchase to Pay (P2P or PTP):** Is a term used in the software industry to designate a specific subdivision of the procurement process. The P2P or PTP systems enable the integration of the purchasing department with the accounts payable (AP) department.
- **Product Approval and Process Sign-Off (PAPSO):** The process and the deliverables for Product Approval and Process Sign-Off (PAPSO) activities and responsibilities for new products, interplant transfers, product changes, and for new suppliers or supplier changes
- **Production Part Approval Process (PPAP):** Industry standard that outlines the process to demonstrate engineering design and product specifications are met by the supplier's manufacturing process. Through PPAP, suppliers and customers agree upon the requirements needed to obtain approval of supplier manufactured parts. Applicable to all

parts and commodities, PPAP principles help reduce delays and non-conformances during part approval by providing a consistent approval process.

- **RapidRatings:** Third-Party financial health assessment provider, focusing on the financial stability of a strategically selected supplier and providing a gradient grading.
- Records related to contract terminations or expirations.
- **Request for proposal (RFP):** Is a document that solicits a proposal, often made through a bidding process, by an agency or company interested in procurement of a commodity, service, or asset, to potential suppliers to submit business proposals.
- **SAP® Ariba Buying and Invoicing:** Is a best-in-class, easy-to-use procure-to-pay solution that helps companies effectively manage all spend-related processes and ensure negotiated savings reach the bottom line.
- **SAP® Ariba Supply Chain Collaboration (SCC):** Ensures comprehensive and flexible collaboration between the Buyer and Supplier across the Ariba Network. Assure supply of direct materials, through better planning, inventory visibility and automation
- **Standard Carrier Alpha Code (SCAC):** Is a unique two-to-four letter coding system used to identify transportation companies.
- **Supplier Chargeback:** Supplier is charged for the additional cost incurred by a manufacturer due to non-conforming components, materials, and late deliveries from suppliers.
- **Supplier Material Rejection Report:** Suppliers are notified of non-conforming material through a documented rejection notice, called a Supplier Material Rejection Report (SMRR)
- **Sole Sourced:** A “sole source” procurement can be defined as any contract entered without a competitive process, based on a justification that only one known source exists or that only one single supplier can fulfill the requirements. A sole source purchase means that only one supplier (source), to the best of the requester's knowledge and belief, based upon thorough research, (i.e., conducting a market analysis), can deliver the required product or service.
- **Sourceable Spend:** Spend that can be influenced by Procurement. Not all Sourceable spending is controllable.
- **Supplier Agreement:** Supplier agreements are documents under which the Company (Johnson Controls, Inc. and/or its subsidiaries) purchases, rents or leases goods, services, materials, or software for its own use/consumption, or for resale from third party Suppliers, including:
 - Supplier agreements (Agreement, Contract or Proposal)
 - Commodity Supply Contracts o Master Agreements
 - Procurement Contracts with government entities (Energy, Utilities, taxes) o Reseller Agreements
 - Manufacturing Agreements: Custom, Private/white label, or Joint Development (JDA)
 - Specialty Agreements: Letters of intent, Memorandums of Understanding (MOU) or Indemnification Agreements o Leasing Agreements: Equipment or vehicle leasing

- Contract Amendments (including Amendments to JCI “Global Terms and Conditions” and/or “Amendment and Supplemental terms by Region and country” as seen on the Global Procurement Standards & Terms site
- Contract Renewal and Extension
- Records related to contract terminations or expirations.
- SOWs (Statements of Work) or ordering documents.
- **Supplier Business Continuity (SBC)** – Holistic management of the process of identifying the organization’s business critical functions, evaluating risks and their impacts, and developing plans that enable organizational resiliency during Incidents.
- **Supplier Operational Assessment (SOA)**: Conducted by a member of the Global Supplier Development & Quality Engineering department team or their designee prior to the award of production orders and/or being placed on JCI Preferred Supplier List (PSL).
- **Supplier Status** - Describes the basic activity level of the Suppliers within JCI Buildings Enterprise Resource Planning (ERP) Systems
- **Supplier: May also be called Vendor or Third Party.** JCI has twenty-one standard supplier types that are used to distinguish supplier risk and the Supplier’s potential for improper or illegal behavior impacting JCI.