



## SUPPLIER MANUAL

**Griffith Rubber Mills - HQ**  
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**Questions:** Contact Corporate QA Manager at (503)226-6971

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## **INTRODUCTION**

Griffith Rubber Mills Quality Management system complies with the International Standard ISO 9001:2008 and the Technical Specification ISO/TS 16949:2009. GRM expects all our suppliers to have a formal quality management system and meet the criteria as described within this manual.

## **PURPOSE**

The purpose of the GRM Supplier Quality Manual is to create a common level of understanding between GRM and its suppliers. This element is critical to meeting and exceeding our customer's expectations. The foremost objective of the manual is to communicate to our suppliers the GRM quality requirements. It covers the most important quality-related processes and methods, from product creation to product performance, and identifies the allocation of tasks and responsibilities between GRM and its suppliers.

## **SCOPE**

The Supplier Quality Manual applies to all suppliers of parts and materials, tooling, and services to all Griffith Rubber Mills Inc. plants, subsidiaries, and divisions. This manual, in conjunction with purchase order, engineering drawing or specification requirements and does not relieve the supplier of his/her responsibility to ensure that each part meets all of the requirements specified by Griffith Rubber Mills.

## **QUALITY POLICY**

Griffith Rubber Mills is committed to providing the highest quality products and best possible satisfaction to our customers. Griffith Rubber Mills will utilize continuous improvement processes to achieve our company objectives.

## **CERTIFICATION**

The parts and services of our suppliers have a direct impact on the quality of our final products. Therefore, GRM expects its suppliers to maintain an ISO 9001 or ISO/IATF 16949 certified quality management system. In some certain circumstances, suppliers may be allowed to achieve certification within one year. Additionally, it is recommended that GRM suppliers be ISO 14001 certified or work towards this certification, as this will become a requirement in the future. GRM reserves the right to perform (2<sup>nd</sup> party) on-site audits at its discretion.

Evidence of a fully-functioning quality management system is produced by a 3rd party registrar. Copies of valid certification must be sent to GRM's Supplier Quality Department unsolicited. It is the supplier's responsibility to ensure that GRM has valid certificates at all times. If the valid certificate or binding schedules for obtaining the corresponding certificate have not been presented, GRM is entitled to consider discontinuing business and/or resourcing the product or service.

## **EXEMPTION (not applicable to tier 2 or 3 automotive suppliers)**

Certain *NON-AUTOMOTIVE* suppliers may be exempt from the certification requirement depending upon the nature and/or quantity of products and services provided to GRM. Exempt status is determined solely by GRM Supplier Quality.

Examples of suppliers who may be considered exempt from registration requirements are:

- Low volume suppliers of custom components
- Suppliers of prototypes
- Suppliers of other non-production related material or services

## **CLASSIFICATION:**

Class A: Supply Line -Critical

Class B: Supply Line -Non-Critical



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**SUPPLIER SELECTION**

- 1) Current Approved Supplier
  - a. Review suppliers annual risk assessment if applicable
  - b. Review suppliers quarterly conformity performance
  - c. Review suppliers quarterly on time performance
  - d. Review suppliers ISO certification
  - e. Review suppliers NDA
- 2) New Supplier
  - a. Confirm suppliers is ISO certified
  - b. Confirm suppliers will sign GRM NDA
  - c. Perform supplier risk assessment (Class A)

**SUPPLIER RESPONSIBILITIES AND EXPECTATIONS**

- Materials, Components and Parts conform to all GRM specified requirements. (RFQ, Specs, POs etc.)
- 100% on time delivery
- Include CofA for all direct production Materials, Components and Parts.
- Proactively communicate potential supply disruptions
- Order acknowledgments must be received within 24hrs with any and all discrepancies noted. Failure to note discrepancies will result in the acceptance of the order as written.
- Materials, Components and Parts must be properly identified by part number, supplier ID, and date of manufacture.
- Parts must be fully traceable to raw material.
- Adherence to the Corporate Social Responsibilities as outlined in appendix (A)

**SUPPLIER PERFORMANCE EVALUATION**

All GRM supplier performance will be evaluated & monitored in the following 4 elements:

**Scoring Elements**

- 1) Delivered product conformity (**Quality**)
- 2) Delivery schedule performance (**Delivery**)

Supplier Ranking*	
>90	1
70-90	2
<70	3

\*Suppliers receiving a ranking of 3 for 2 consecutive quarters will be required to submit a written plan for improvement (corrective action) within 2 weeks of the request. Failure will result in the removal from GRM’s approved supplier list.

**Monitoring Elements**

- 3) Number of occurrences of Inbound Premium/Non-conforming freight. (**PT**)
- 4) Disruptions at receiving plant (**Number of receipts rejected**)



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### **APQP / PPAP REQUIREMENTS**

Suppliers are expected to have a formal system for quality planning new production activities such as the automotive industry standard of Advanced Product Quality Planning (APQP). This is based on the requirements and criteria found in the AIAG APQP manual. Further reference or information may be obtained from AIAG at [www.aiag.org](http://www.aiag.org).

GRM's component/part qualification process shall be conducted in accordance with the requirements found in the Production Part Approval Process (PPAP) manual published by the Automotive Industry Action Group (AIAG). The purpose of this section is to define GRM's specific requirements that are not defined within the PPAP manual.

The Supplier is responsible for manufacturing the components with the same production processes that will be used to manufacture the approved PPAP quantities. The PPAP manual defines when GRM is to be notified when a Supplier-initiated process change is planned and when a PPAP qualification is required.

GRM will specify the PPAP submission level required based on part or change notification from supplier. As defined in the APQP/PPAP Workbook, the Supplier must complete all applicable inspections and tests, retain supporting documentation on file, and submit to GRM per the following:

- Level 1 – Warrant only and Appearance Approval Report, if applicable.
- **Level 2 – Warrant with product sample and limited supporting data.**
- Level 3 – Warrant with product sample and complete supporting data.
- Level 4 – Warrant and other requirements as defined by GRM.
- Level 5 – Warrant with product sample and complete supporting data available for review at the Supplier's manufacturing location.

**Unless otherwise specified, all new parts/materials will require a Level 2 PPAP.**

**IMDS submissions** (International Material Data System) are required of all automotive product suppliers for every part they provide to GRM. Creating an IMDS account is free of charge, and can be done at [www.mdssystem.com](http://www.mdssystem.com). Instructions for creating modules in IMDS are on the site. This is not a GRM maintained system, so any questions about the IMDS program or its operations should not be directed to GRM. **All IMDS submissions for GRM should be directed to account #\_24847\_.**

### **MATERIAL IDENTIFICATION AND CONTROL**

The supplier shall have a documented system to identify and control material throughout the manufacturing process. This system must also provide removal of non-conforming material when detected. Material must be identified as non-conforming and segregated.

Suppliers are required to establish a lot traceability system that provides for positive identification of product and material throughout the manufacturing operation. Lot identification is to be provided on all shipments. All material shipped to Griffith Rubber Mills must have lot traceability that can be traced back to supplier's receipt of material. When requested by Griffith Rubber Mills, material must be accompanied by material certifications. This request will be made on all purchase orders.



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### **PACKAGING**

The supplier must package and ship material in a manner that provides protection against damage and contamination. The use of commercial carriers does not relieve the supplier of responsibility for properly packing materials to ensure acceptance at the delivery point. Part numbers and lot numbers must be on all Packing Slips and containers.

### **SHIPPING REQUIREMENTS**

**Shipping methods:** Unless otherwise specified on GRM's PO full compliance to GRM's standard inbound routing instructions sheet is required. **Contact GRM purchasing if uncertainty exist.**

**"DATE REQUIRED" on purchase order is our "IN-HOUSE" date.**

### **CONTROL OF NONCONFORMING PRODUCT**

The supplier shall maintain a system to remove any material that does not meet manufacturing specifications. The non-conforming material should be segregated from the acceptable material. The supplier must also have a system to correct the nonconformance. The system must include a review of the material and records' showing what the disposition of the material was.

A deviation must be obtained from GRM prior to shipping any nonconforming product. The deviation will specify the quantity of product involved and a time expiration of the deviation. A corrective action plan to prevent further deviations may also be requested.

Supplier Charge-Backs may be applied for delivery of defective/non-conforming products and quality incidents, caused by the Supplier's products.

### **RECEIPT OF NONCONFORMING MATERIALS**

Materials or products received from suppliers to be used at GRM manufacturing plants are verified against the purchase order and GRM drawing/specification. In addition to part features, rejection reasons may include part cleanliness, packaging, and part identification.

Rejected parts will be documented on a Non-Conforming Material Notification (QF-40), which will be emailed to the contact identified by the supplier.

A Return Material Authorization (RMA) response is required within 2 business days (48 hours) of the reject incident.

The parts will either be:

- Used as-is,
- Reworked, at the supplier's expense,
- Returned to supplier (if requested by the supplier), or
- Scrapped with an appropriate Return Material Authorization (RMA) and subject to a .25/lbs. disposal fee.



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**CORRECTIVE ACTION**

If GRM detects that a supplier’s parts frequently do not meet specifications, a Corrective Action Request (CAR) may be submitted to the supplier. A CAR is used to inform a supplier of a problem, to request corrective action, and to monitor the effectiveness of the actions taken.

Suppliers must complete all sections of a Corrective Action Request and attach supporting documentation as evidence of effective corrective action. Suppliers are expected to use a systemic problem solving tool for the root cause analysis, such as Fishbone/Cause and Effect Diagram, 8D, AIAG’s 7-Step Problem Solving Process, etc.

The CAR must be returned to Supplier Quality within the defined timeframe. The quantity of CARs, effectiveness of root cause analysis, and response time can negatively impact the supplier evaluation ratings.

**PROCESSING FEE**

GRM may charge the supplier a minimum processing fee of \$150 for each quality reject incident, which will be debited from the supplier in addition to the cost of the rejected/defective material.

- Rejects with values less than \$100 US can be scrapped and debited to the supplier at the time the reject is issued unless prior arrangements are made with GRM plants
- Rejects with values greater than or equal to \$100 US will be scrapped and debited to the supplier if a response is not received within 2 business days

**DEVIATION**

Deviations are used as a temporary modification to GRM requirements. GRM Quality must approve all changes from the drawings or specifications.

**ENGINEERING CHANGE REQUESTS**

Any change requested by the supplier must be submitted on Griffith Rubber Mills Engineering Change Request Form. GRM will review the request in a timely manner to assure the supplier has ample time to make necessary adjustments. Change cannot be implemented until approved by GRM.

**PURCHASING POLICIES**

We encourage all prospective suppliers to present their products and services. All capable suppliers will be given an equal opportunity to compete for our business.

Quality is of utmost importance at GRM. Our position as a leading supplier of rubber products is built on our quality. Our suppliers must be able to work with us to achieve the same high quality levels.

Owner: Wade Carpenter			
Revision History			
Rev #	Change	By	Date
1	Initial release	Wade Carpenter	01/18/18
2	Added scrap disposal fee for Non-Conforming Material	Wade Carpenter	04/08/19
3	Added CSR (Corporate Social Responsibility)	Wade Carpenter	05/31/19

## European Automotive Working Group on Supply Chain Sustainability



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### Automotive Industry Guiding Principles to Enhance Sustainability Performance in the Supply Chain

We endeavour to achieve excellence, innovation and performance in a sustainable manner. People and the environment are the automotive industry's most important resources. For this reason, we are working together to attain the highest standard in business integrity and in the social and environmental performance of our supply chain.

The automotive industry supply chain has a high degree of complexity, therefore we believe in the benefits of a common approach and message. The following guidelines clearly describe our minimum expectations towards business ethics, working conditions, human rights, and environmental leadership, for our suppliers as well as their subcontractors and suppliers. We expect that suppliers will uphold these standards and cascade them down their supply chain.

These guidelines are based on fundamental principles of social and environmental responsibility that are compliant with local law, consistent with international expectations and are supported by the sponsoring Auto Manufacturers. Individual manufacturers may have their own standards, codes and policies that supersede these guidelines.

#### Business Ethics

The basis for sustainable and successful business activity is to have integrity and transparent business practices. Companies are expected to operate honestly and equitably throughout the supply chain in accordance with local law, including those laws pertaining to:

- **Anti-Corruption**
- **Anti-competitive Business Practices**
- **Protection of Intellectual Property**
- **Respect for Company and Personal Data**
- **Export Controls**
- **Conflicts of Interest**

#### Environmental Standards

Companies are expected to pursue effective environmental protection throughout the supply chain in order to reduce the environmental footprint of our products through-out their life-cycle. All products manufactured within the supply chain, and the applied materials and substances used in the process are expected to meet environmental standards for design, development, distribution, use, disposal or recycling. Such a comprehensive approach includes but is not limited to:

- **Reducing energy and water consumption**
- **Reducing greenhouse gas emissions**
- **Increasing use of renewable energies**
- **Enhancing appropriate waste management**
- **Training of employees**

Businesses are expected to support a proactive approach to environmental challenges, and encourage the development and diffusion of environmentally friendly technologies.

#### Working Conditions and Human Rights

##### Child Labour and Young Workers

Child labour should not be tolerated and the age of employment must be in accordance with local labour law.

##### Wages and Benefits

Compensation and benefits should be competitive and comply with applicable local laws, including those relating to minimum wages, overtime compensation, and legally mandated benefits.

##### Working Hours

Working hours, including overtime, should comply with applicable local laws regulating hours of work.

##### Forced Labour

Any form of forced or compulsory labour, including human trafficking, should not be tolerated.

##### Freedom of Association

Workers should be able to communicate openly with management regarding working conditions without fear of reprisal, intimidation or harassment. Workers should have the right to associate freely, to join or not join labour unions, seek representation, and join workers' councils in accordance with local laws.

##### Health and Safety

Workers should have a safe and healthy working environment that meets or exceeds applicable standards for safety and occupational health.

##### Harassment and Discrimination

Harassment or discrimination against employees in any form is not acceptable.