



# **SUPPLIER QUALITY MANUAL**

05/08/2023

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12/30/22: Initial Release Date

## **Section 1 – Introduction**

### **1.1 Overview**

Century Mold is a leading North American injection molder who services the Automotive industry. Parts manufactured by the company can be found in all major OEMs such as Ford, GM, Chrysler, Toyota, and Nissan. Between these major car companies and many others, Century Mold has parts on over 75% of light vehicles and heavy-duty trucks manufactured in North America.

Century Mold takes pride in providing customers with high quality products and exceptional customer experience. We are committed to complying with all agreed upon customer requirements and any government regulatory requirements while delivering timely, cost competitive, high-quality products and services, all while continually improving our Quality Management System. Our suppliers play a vital role in allowing us to maintain this customer satisfaction by providing us with quality materials, components, and parts that are 100% on time.

### **1.2 Goals and Scope**

The goal of this manual is to provide Century Mold suppliers with our business and quality expectations as well as our standard for delivery. Quality is the primary challenge in the automotive industry, and Century Mold is committed to providing superior products to our customers. We look to our suppliers to assimilate with these standards and continuously strive for high quality products and materials.

Our goal is to meet or exceed customers' quality expectations. We expect our suppliers to match our commitment to quality and continuous improvement. This manual will outline what those expectations are to collectively reach the goal of excellence for our customers. Quality can be reached by open communication and careful planning. This manual acts as a tool for our suppliers, outlining how our quality expectations can be reached.

Acceptance of purchase orders by our suppliers constitutes acknowledgment and commitment to this quality manual and our terms and conditions. The Supplier Quality Manual establishes the baseline requirements, which shall be upheld unless a separate signed agreement specifically contradicts certain aspects of the manual. In such cases, only the conflicting elements will be superseded by the terms of the separate agreement, while all other provisions of the Supplier Quality Manual shall remain in effect.

### **1.3 Commitment and Values**

Century Mold views our suppliers as an essential extension of our operation. To help our suppliers align themselves with our quality expectations Century Mold commits to:

- Set clear criterion
- Provide effective and open communication
- Deliver timely and helpful feedback on performance

- Act as a resource to improve supplier performance
- Dictate concise instruction on deadlines or necessary completion dates

We value honesty, respect and trust in ourselves, our suppliers, and our customers.

#### **1.4 Code of Conduct**

The successful business operation and reputation of Century Mold is built upon the principles of fair dealing and ethical conduct of our employees. Our reputation for integrity and excellence requires careful observance of the spirit and letter of all applicable laws, rules, and regulations, as well as a meticulous regard for the highest standards of conduct and personal integrity. The continued success of Century Mold is dependent upon our customers' trust, and we are dedicated to preserving that trust.

Century Mold is committed to complying with all agreed customer requirements and all government regulatory requirements. We expect suppliers to understand and apply our code of conduct and quality standards to all raw materials, services and other products provided.

Century Mold prohibits any human rights violations, child labor, improper use of confidential information, gifts used as bribery, business conflicts of interest, or delivery of counterfeit parts. We expect our privacy and data to be protected and our intellectual properties to be kept confidential.

We expect that our suppliers conduct themselves in an ethical manner following all government rules and regulations as they pertain to the products and services they provide. We abide by the Conflict Minerals Act and believe that doing so respects our code of conduct. Our expectations are that our suppliers are compliant with this act as well.

#### **1.5 Environmental Policies and Sustainability**

Century Mold functions in an environmentally conscious manner and expects its' employees to operate with an appreciation for the environment and their surroundings. In turn we expect our suppliers will do the same. We believe recognizing our responsibility in protecting the environment leads to sustainability and protects the future of the environment and the world.

In following the environmental rules and regulations set by the government, Century Mold recognizes and accepts the limitations put forth by the following hazardous material compliances:

- RoHS
- REACH
- TSCA
- POPs
- Prop 65

Century Mold expects suppliers to comply with the above policies and work with us in practicing environmentally responsible behaviors and operations which will in turn lead to the sustainability of the global marketplace and aid future generations in meeting their needs and expectations.

## **Section 2 – Purchasing Expectations**

### **2.1 Supplier Assessment**

Century Mold requires all suppliers of material used in our products to be registered to ISO 9001 by an accredited third-party certification body. Conformity with ISO 9001 is the first step in a longer-term goal for suppliers to comply with ISO/IATF 16949. Depending on the importance and nature of the supplied product, select suppliers are required to comply with ISO/IATF 16949 within a mutually agreed timeframe. Prioritization for ISO/IATF 16949 compliance focuses on those suppliers required to follow an APQP part approval process (PPAP or similar).

Century Mold must deliver conforming, high-quality products to our customers, so this is at the forefront in the supplier selection process. The Supplier must remain within the control of Century Mold's quality management system, taking into consideration the impact of externally provided products on our ability to consistently meet customer requirements. Century Mold will determine and communicate the verification that is needed to ensure the products meet the necessary requirements.

### **2.2 Supplier Agreement / Non-Disclosure**

Century Mold may ask a supplier to sign a non-disclosure agreement to protect our confidential information from being shared with others. This information could include but is not limited to procedures, specifications, drawings, and forecasts. These items collectively form Century Mold's intellectual property, and we consider such property confidential and proprietary to not only ourselves, but our customers as well. Suppliers will be held to the terms of any applicable, signed non-disclosure agreement.

### **2.3 Production Part Approval Process (PPAP)**

Dependent on the nature of the product being supplied and Century Mold's customer, suppliers may be required to follow the production part approval process, or PPAP. This involves a process in which we will outline the specifics, including part or material submission and proof of compliance to automotive specifications.

If at any point a supplier wants to make a change, whether temporary or permanent, Century Mold must be notified. Any deviation in product or process must be reported to Century Mold for confirmation prior to making the change and approval must be obtained in writing prior to implementation.

### **2.4 Purchase Order Terms and Conditions**

Suppliers will be held to the purchase order terms and conditions found on our website each time they receive a PO from Century Mold. These purchase order terms and conditions can be found at <https://centurymold.com/terms>.

## **2.5 Product or Build Specific Specifications**

There may be a time in which a customer order received by Century Mold has a defense priority on it. This defense priority will be passed down to our suppliers for any product needed to produce these types of orders. It is required that a supplier apply this rating to their lead time when providing Century Mold with an estimated time of arrival.

## **Section 3 – Supplier Quality Expectations**

### **3.1 Quality System Requirements**

Century Mold's quality management system is IATF 16949 certified. We require that our suppliers maintain at a minimum a 3<sup>rd</sup> party certification to ISO 9001. Our suppliers should oversee their supply base to ensure they can produce high quality products that are cost effective. A minimum of ISO 9001 certified for sub-suppliers is preferred. If a sub-supplier's quality system is not 3<sup>rd</sup> party certified to ISO 9001, we require our supplier to ensure through 2<sup>nd</sup> party audits that the sub-supplier maintains conformance to ISO 9001 requirements. Evidence of these audits shall be made available upon request. All new suppliers to Century Mold must have an on-site assessment completed. Under some circumstances, a self-assessment may be deemed adequate at the discretion of Century Mold Purchasing and Quality Teams.

### **3.2 Documentation Requirements**

Century Mold expects suppliers to maintain ISO 9001:2015 and IATF 16949 documentation where applicable in relation to business agreements. We expect suppliers to maintain and update their certifications as need be and to provide updated copies to Century Mold upon renewal.

Century Mold believes in the importance of and expects all suppliers to have either certified documentation or processes in place regarding the following topics:

- Protection of the environment and sustainability
- Fair treatment of all workers through following human rights and labor laws
- Business ethics, in particular anti-bribery and anti-corruption
- Health and safety in the work environment
- Supply chain responsibilities

Our expectation is that all suppliers are responsible and comply with all laws and regulations put forth in the global marketplace.

### **3.3 Nonconforming Product: Supplier Corrective Action and Containment Actions**

In the case of nonconforming products, Century Mold expects suppliers to react, take control and correct immediately as that is what our customers expect of us. A Supplier Corrective Action Report (SCAR) will be issued at the discretion of Century Mold in the case of nonconforming material being received. The SCAR will be sent to the supplier with detailed information on the problem with the

intention of determining the root cause of the problem and the appropriate corrective action. In the case that a SCAR is issued to a supplier, the following must be completed:

- Immediate containment and 100% inspection of product at supplier location, at Century Mold, and in transit. All expenses occurred whether at the supplier, at Century Mold, or a 3<sup>rd</sup> party containment house will be the responsibility of the supplier.
- Century Mold will provide photographic evidence or samples when possible.
- Once inspected, material must be labeled as 100% certified for the specific defect or defects that have been identified in the SCAR for at least the next three shipments unless otherwise specified by Century Mold.
- A chargeback may occur for any expenses incurred from Century Mold customers, manufacturing interruptions or administrative costs.
- The supplier is responsible for managing outside sorting providers, providing accurate reporting of sorting results and transportation of nonconforming materials unless otherwise specified.

### **3.4 8D Reporting and Problem Solving**

The supplier must respond to an issued SCAR utilizing the 8D problem solving method with a formal 8D report. Century Mold expects the following timeline to take place:

1. Supplier initial response to Century Mold is required within 24 hours of SCAR notification.
2. Supplier 3D report is due to Century Mold within 48 hours, outlining containment actions taken and initial sort results.
3. Supplier 5D report is due to Century Mold within 14 days and must include definition of problem and planning and implementation of the long-term solution to the problem.
4. Final supplier 8D report is due no later than 30 days from SCAR issue. An extension can be requested by the supplier in writing prior to the 30-day deadline. If the actions outlined in the 8D report are satisfactory to Century Mold, the SCAR will be approved and closed.

Century Mold will want to see that there has been an in-depth investigation into the nonconformance to ensure that the nonconformance will not occur again in the future. Any solutions to an issued SCAR that require a change to the part or manufacturing process must follow Century Mold's change management process. SCARs will be monitored on supplier scorecards issued quarterly by Century Mold.

### **3.5 Cost of Nonconforming Product and Chargeback Policy**

Century Mold believes that suppliers hold the responsibility for delivering quality products on time. If Century Mold incurs fees from their customers due to issues resulting from a nonconforming product or if we have interruptions in our manufacturing and/or administrative costs, we reserve the right to debit the responsible supplier for these costs.

Chargebacks could include but are not limited to fees based on sorting both internally at Century Mold and at 3<sup>rd</sup> party containment houses, rework and scrap, expedited freight and returned freight, production downtime, manufacturing shutdown and overtime of Century Mold employees, and delays in the 8D response. These charges will come to the supplier through a debit memo.



### **3.6 Request for Deviation and Supplier Change Management**

Just as a supplier needs to immediately notify Century Mold of a nonconforming product, they also need to inform Century Mold of any deviation to the design or processes of a product. These deviations cannot occur without written approval from Century Mold. Century Mold in turn will need to get approval from the customer for the change. Once a deviation has been approved, then a supplier may ship that product, but not before. If a supplier were to ship a product without notifying Century Mold of a change, they are responsible for any resulting costs incurred.

Suppliers may find that they occasionally need to deviate from their approved sources. This change could be temporary or permanent. It is essential that even a temporary change is reported. These changes will likely necessitate once again going through the PPAP process and approval. Changes will be reviewed and approved by both Century Mold and our customer.

### **3.7 Regulatory Reporting and Trade Compliances**

Century Mold expects suppliers to be aware of any trade compliances and regulations for the import or export of products. If there are any uncertainties the supplier should contact Century Mold for further information. Suppliers classifying goods for import on Century Mold's behalf are expected to do so accurately. Any resulting penalties or costs for failing to do so will be passed along to the supplier.

### **3.8 Incoming Product Document Requirements: Quality Documentation and Packing Lists**

Century Mold requires all incoming product documentation to be in English. Any labels will need to show the Country of Origin. Packing lists and commercial invoices need to be with each shipment. It is important that the packing list includes net weight and gross weight and must be 100% accurate as well as be signed or stamped. The commercial invoices will also need the signature or stamp. Please reference Section 4 to see the complete list of packing slip requirements. We require a certificate of analysis for all resins. This may be provided electronically: NY branch [NYCERTS@centurymold.com](mailto:NYCERTS@centurymold.com), OH branch [OHCERTS@centurymold.com](mailto:OHCERTS@centurymold.com), TN branch [TNCERTS@centurymold.com](mailto:TNCERTS@centurymold.com). The information required in the COA or the need for a Certificate of Compliance and/or SDS sheets will be determined at PPAP. Changes to the contents of the COA are subject to our change management rules.

## **Section 4 – Labeling, Packaging and Shipping Requirements**

### **4.1 Labeling and Traceability Specifications**

Century Mold ensures appropriate identification and traceability of product at all stages of product realization, for example, at receiving, inventory, work in progress, inspection, testing, finished goods, shipping and delivery. We expect our suppliers to do the same. This system will include at minimum, part numbers (both Century Mold and manufacturer), lot numbers and serial numbers. If barcodes are used, they must follow AIAG standards.

## **4.2 Packaging Specifications**

Packaging and labeling specifications will be established during the design and development phase of the products with the supplier. Standard pack quantities will be established before the first shipment. The supplier is ultimately responsible for the safe shipment of products to Century Mold. If products received at our facility are damaged, the supplier will be responsible for replacing the product at no charge to Century Mold. This includes but is not limited to any shipping charges. If a supplier wants to change packaging, they must first contact Century Mold for approval.

## **4.3 Shipping Specifications**

Suppliers will ship products to Century Mold using the shipping instructions found on the purchase order. Once purchase order is confirmed by the supplier, delivery must be to the promised date listed on the purchase order. If shipping instructions are not followed, Century Mold will not be responsible for the associated costs, including any downtime costs or expedite fees incurred. An accurate packing list must accompany all supplier shipments. The packing list will contain Century Mold's purchase order number, part numbers (both Century Mold and manufacturer), the shipment date, the invoice number if available, the product quantity, both gross and net weight, the number of packages or containers as well as a description of what is in them. In some cases, a Certificate of Origin will be needed as well as customs documents.

A Bill of Lading will be required with all shipments as well. The bill of lading should contain the ship to and bill to address, the ship from address, the weight, Century Mold's part number along with quantity and description of the product in the shipment, as well as the carrier being used. In some cases, other regulatory documentation may be required, for example, for hazardous materials, this will need to be noted.

Suppliers should always be ready to make a change in shipping to an expedited shipment if requested by Century Mold. This occasionally happens due to supply chain interruptions. If the shipment needs to be expedited due to a supplier not meeting the established due date set by Century Mold, the supplier will be responsible for the shipping charges.

# **Section 5 – Supplier Performance Evaluation**

## **5.1 Supplier Score Card Criteria**

Century Mold has established a supplier scorecard evaluation system to measure the performance of suppliers. This system helps Century Mold to gather and analyze data to then communicate with suppliers in an attempt to keep our quality system standards high and continuously improve ourselves for our customers. This system is an important supporting piece of supplier development.

## **5.2 Measurable Categories: Quality, Delivery, Price, Support and Communication**

Century Mold will score a supplier in the following categories: PPM, number of SCARs opened, on-time delivery, customer disruptions, premium freight occurrences and special status notifications. We will also perform a Risk Assessment which will determine if a 2<sup>nd</sup> party audit will be required.

This risk assessment is based on Century Mold's determination of the supplier quality management system, supplier performance, last 2<sup>nd</sup> party audit date, and any safety or regulatory requirements applicable to the supplied products. 2<sup>nd</sup> party audits may be deemed necessary at Century Mold's discretion.

## **5.3 Issuance of Scorecards**

Scorecards are generated on a quarterly basis. If products are supplied to more than one Century Mold facility by the same manufacturer, all facilities that use the manufacturer will then factor into the supplier evaluation.

## **5.4 Review of Scorecards**

The performance indicated on the scorecard is a direct input into Century Mold's supplier selection process. Century Mold may discuss improvement proposals with a supplier after reviewing the scorecard. If intervention is needed with the supplier, Century Mold will escalate to the levels discussed in section 5.6.

## **5.5 Rating System**

Each of the categories is scored on a 1-5 system and then weighted differently for the final weighted score. Our supplier quality analysis scorecard may be referenced to see the definition of the 1-5 score for each category. The categories are weighted as follows:

- PPM: 25%
- Number of SCARs Opened: 25%
- On-Time Delivery: 20%
- Customer Disruptions: 20%
- Premium Freight Occurrences: 5%
- Special Status Notifications: 5%

## **5.6 Escalation Levels**

If Century Mold determines that intervention is needed, the supplier will be informed. First, we will communicate with the supplier, then a SCAR will be issued, followed by putting the supplier on a special status notification. An on-site audit might follow, along with a new business hold and a removal from our approved supplier list either temporarily or permanently.

PPM Scoring		
<u>Score</u>	-	<u>Definition</u>
1	>	1000
2	<	1000
3	<	100
4	<	25
5	=	0

Customer Disruption Scoring		
<u>Score</u>	-	<u>Definition</u>
1	>	1
3	<	1
5	=	0

SCAR Scoring		
<u>0</u>	-	<u>Definition</u>
1	>	1
3	=	1
5	=	0

Premium Freight Scoring		
<u>Score</u>	-	<u>Definition</u>
1	>	3
2	=	3
3	=	2
4	=	1
5	=	0

On-Time Delivery Scoring		
<u>Score</u>	-	<u>Definition</u>
1	<	90%
2	>	90%
3	>	95%
4	>	98%
5	=	100%

Special Status Scoring		
<u>Score</u>	-	<u>Definition</u>
1	>	1
3	=	1
5	=	0

## Section 6 – Retention

### 6.1 Handling of Information and Documentation

Century Mold expects all documentation, including any drawings and specifications to be retained for the life of the product as specified by Century Mold.

### 6.2 Storage Locations and Longevity

Century Mold will keep records at their facilities for as long as the law dictates and expect suppliers to do the same. Typically, the length of retention is five years. In particular, customs records must be kept by suppliers to be made available to Century Mold if needed. Century Mold will communicate with suppliers any product specific requirements for record retention.

## **Section 7 - Revision Expectations and History**

Century Mold will periodically revise this manual. The revision date will always be listed below. An updated, current manual will be available on Century Mold's website at <https://www.centurymold.com>. Century Mold expects its suppliers to be aware of this and routinely check the website and manual for a new revision.

5/8/23: Initial release of supplier quality manual