



SUPPLIER

MANUAL

May - 2021



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1.1-2		Revision Page		
DATE	SECTION	PAGE	DESCRIPTION OF REVISION	SIGNATURE
Jan-16	All		Initial DRAFT	Tim Taylor/Larry Davis
Sept-17	All		Compliance to QAV	Larry Davis
May-21	All		Compliance to SAQ	Larry Davis

The revision pages will keep a record of all revisions to this manual. Any revisions and effective dates of the revisions will be documented.

GTC is responsible for furnishing designated suppliers a copy of this manual. Any minor revisions will be emailed, with revisions documented on revision pages, to each supplier. A Receipt Acknowledgement form SSSR, (See Appendix B) will be sent to be signed by the supplier and returned to GTC by the specified date.



3. PARTNERSHIP GUIDELINES

3.1 GENERAL

GTC's objective is to manufacture the highest quality automotive components possible. This manual is the governing requirement document for parts and components, that describes GTC's expectations for supplier quality. All suppliers are expected to comply with standards described throughout this manual.

3.2 QUALITY IMPROVEMENT

We define quality as the measure of the consistency and continual improvement in products and/or services provided. This definition incorporates measures of variation from the target specifications to identify consistency, and communication with the customer to understand the desired service. There must be a strong continuously improving quality system (Pg. 8) in place to support these activities.

3.3 CONFIDENTIALITY AGREEMENT

The purpose of this section is to ensure confidentiality requirements are established and maintained between GTC and its suppliers

GTC requires the following in-regards to confidentiality:

1. Establish a system to manage confidentiality that begins at sourcing and will sustain over the life of the part.
2. Control any data, information, or materials that is shared by GTC and considered confidential.
3. Report any breach in confidentiality.
4. Supplier must agree to a review of any confidential or proprietary documentation and/or data per the request of GTC.

4. ELEMENTS OF SUPPLIER QUALITY

This section defines the elemental standards required for our suppliers to achieve acceptable quality levels. The elements described below are requirements for each supplier to meet or exceed established quality standards.

4.1 Product Quality

The supplier will comply with all specifications as mutually agreed upon. Suppliers are expected to work continuously to exceed established targets and reduce variation (increase C_{pk}). GTC requires that each supplier maintain a minimum of 1.33 cpk for each part supplied. When this target is not achievable, contingency activities must be agreed to and put in place by the supplier.

Product(s) supplied to GTC must fully meet product specification(s) such that supplemental inspection of the product(s) after receipt by GTC is not required to assure 100% compliance to the specification(s).

4.2 Product Quality Assurance and Liability

GTC's suppliers are held responsible for any liabilities or costs that result from quality and/or delivery deviations of the supplier's product as supplied to GTC. This includes, but is not limited to, warranty claims, yard sorts, reinspection costs, product replacement and/or recall costs and supplemental testing/technical analysis/failure investigation as a result of a supplier-caused issue and expedited freight cost due to delivery issues. A permanent management level position must be designated by the supplier as the representative for overall quality assurance.

In the event of any quality or delivery failure, full technical and process investigation is required to accurately and completely identify root cause(s) and implement permanent corrective actions. GTC's Customers require these post-failure actions (including robust interim containment measures) to be executed rapidly (a minimum of effective containment within 24 hours and root cause analysis within two weeks). The Product supplier is responsible for completing these actions. Any support required from GTC in order to comply with our Customer's requirements in this regard for timeliness of actions will also be the responsibility of the supplier.

4.3 Value Engineering

GTC's suppliers should continuously pursue improvements resulting in lower cost and higher quality products through a cooperative effort with GTC.

4.4 Defect Replacement

In the event of a confirmed quality defect, the supplier is responsible to deliver replacement product within 48 hours after notification and verification of a defect in product supplied. This includes replacements for actual defective product(s) as well as temporary replacements for any product(s) placed in quarantine as a



containment measure. GTC will expect suppliers to maintain an adequate level of Safety Stock to ensure quick and accurate delivery of parts during a quality issue.

4.5 Customer Orientation

The supplier will provide on-site support, either at GTC or at GTC's Customer, if requested, 24 hours, after notification of a major problem. Any sort or rework activity conducted by GTC may result in supplier chargeback for the activity. GTC will expect the supplier to manage unshipped suspect material at their corresponding facilities during this time. Any parts shipped to GTC during a quality concern should be clearly marked and sequenced to ensure ALL material received by GTC meets all negotiated requirements.

4.6 Safe Launch

During launch of a new part or launch of an engineering change, the supplier shall develop a Safe Launch Plan. This Plan will establish additional controls/checks during the launch phase of new part/engineering changes to ensure zero defects during the launch. These will include the development and review of a Prototype and Initial Quality Control Plans submitted as part of a PPAP package. The Initial Quality Control Plan should include 100% verification of initial production for a period of 90 days. This data must show evidence that the process is performing as planned and the proper controls are in place to protect GTC from quality issues.

5. SUPPLIER QUALITY SYSTEM EVALUATION

5.1 INTRODUCTION

GTC requires its suppliers to maintain a Quality System which not only will ensure that we are receiving the highest quality materials, but which will also encourage continuous improvement in the product. GTC's suppliers should, at minimum, have registration to the ISO 9001:2000 standard with conformity targeted to the ISO/TS16949 standard.

If the Supplier is registered to an internationally recognized quality standard (e.g., ISO 9001:2000, TS16949), then GTC will expect the Supplier to adhere to that standard. The Supplier must supply GTC with a copy of their registration certificate(s), and notify GTC of any changes in their certification status.

It is a GTC requirement that our material suppliers:

- Shall establish, document, and maintain a quality system as a means of ensuring that products conform to specified requirements. This quality system must be based on the ISO/TS standards and include such items as process control plans, visual work instructions in the language of the operators performing the task, FMEA, gauge and tooling certification data (including gage R&R studies), operator training records, SPC, statistical evaluation of process capability, and effective document control procedures.
- Work toward the implementation of TS16949 as their fundamental quality system requirement and display effective implementation of the processes described in this standard.
- Should establish, document, and maintain an Environmental Management System as a means of ensuring that GTC and Supplier processes continue to have a positive impact on the community and the environment.
- Should establish, document, and maintain a system that monitors fluctuations in yield, productivity, inventory and any other key metrics that relate to cost management issues.
- Should establish, document, and maintain a system that monitors the delivery process including accuracy of packaging, labeling, count, and transportation.
- Should establish a system of traceability for parts and raw materials through all systems of manufacturing.

Each supplier may be audited on the systems described above based on performance results from GTC's scorecard process. If actual performance in any area changes considerably, GTC may decide to perform a special audit on pertinent processes and systems. GTC's auditors will evaluate these systems based on ISO/TS16949 guidelines where applicable, using the GTC Audit Form.

5.2 AUDIT PROCEDURE

5.2.1 Preparation

GTC will contact the supplier to set up a date and scope for the audit. Time will be allowed for the supplier to make preparations for the audit. When preparing for an audit the ISO/TS 16949 standard is used as a reference along with the GTC Audit Form (SQM-AAF).

5.2.2 Audit Agenda

Prior to the audit GTC will provide an agenda listing the scope of the audit and a proposed schedule. The intent is to provide the supplier with a guideline for planning and allocation of the proper resources to support the audit process. The agenda will list the specific areas of the supplier's management system to be audited within a specific timeframe. Specific documents required for review during the audit are:

- An Organizational Chart
- Failure Modes and Effects Analysis examples
- Control Plans or an equivalent document

Copies of these documents (electronic or paper) may be requested by the GTC auditors in advance of the audit date. Some of these items will be covered in-depth during the plant tour and may require more supporting documentation. This list is given as basic guidance only for preparation of supporting documentation. Other examples of documentation they may be requested:

- Quality Manual
- Policy / Procedure Manual
- Surveys/audits performed on sub-contractors
- Gauge calibration records
- Gauge capability studies
- Process capability studies
- SPC records
- Employee training plans
- Corrective actions/Countermeasures reports (both internal and Customer driven)
- Environmental Management System Manual and Procedures
- Cost Improvement and Delivery System Documentation
- Change management control process

5.2.3 Plant Tour

The next part of the evaluation is the tour of the manufacturing process to verify the application of policies/procedures and work instructions, as well as records, to evaluate the effectiveness of the system.



5.2.4 Remarks

At the conclusion of the evaluation, the auditors will discuss their findings, including strengths, opportunities for improvement and nonconformities (major / minor). A completed report will be submitted to the supplier's point of contact within two weeks of the survey date.

If the supplier audit results in a non-qualified ranking (C rank) supplier will be required to submit a corrective action plan within 30 calendar days of the survey. At that time, GTC will evaluate the submitted corrective action plan to determine its acceptability. If the plan is acceptable, GTC will confirm the corrective action implementation by scheduling a follow up visit. If the plan is unacceptable, it will be returned to the supplier. The supplier will be expected to make proposed changes to the corrective action and supply a revision to GTC.

6. SUPPLIER RATING SYSTEM

6.1 Supplier Rating System

Performance monitoring and two-way feedback are critical to maintaining a solid business relationship and ensuring optimum efficiency. The GTC Supplier Rating System provides a quantitative and consistent process to measure supplier performance in areas critical to mutual success. This process is designed to improve incoming quality, maintain uninterrupted supply, and improve communication within the Supply Chain. This rating system is comprised of the GTC Supplier Scorecard System. GTC will compile performance data on a quarterly basis for select suppliers and publish the data in the Supplier Scorecard. The GTC Purchasing Department administers the scorecard results. Questions concerning the system or a particular rating should be communicated to the System Administrator. The current Administrator is:

Purchasing Manager
GTC Corporate Purchasing
Ph. 937-833-5444
jaryan@greentokai.com

6.1.2 Scorecard Ratings

Overview-

The two performance areas that comprise the Scorecard include:

- Quality (50%)
- Delivery (50%)

Supplier Score Card Performance will be measured by the following criteria:

Quality:

1. Sort @ GTC or Customer
2. Corrective Action replies not received / late
3. Supplier corrective actions requests (SCAR) issue

Purchasing:

1. Number of early / late deliveries
2. Suppliers responsible expedites
3. Quantity ordered
4. Quantity received



7. SUPPLIER PROBLEM RESOLUTION

7.1 INTRODUCTION

When a product assembly issue is found at GTC or at GTC's customer and involves a supplier part, the supplier shall provide required support to GTC when requested until the issue is resolved. This includes, but is not limited to, on-site defect review, engineering support, testing data and laboratory support.

7.2 DEVIATION FOR NON-CONFORMING MATERIAL

In certain instances, material not conforming to standards or specifications may be used if agreed upon by GTC.

Requests for deviations must be made *in writing* and submitted to GTC for review by Quality, Purchasing, and Production Departments.

The supplier is responsible for segregating the non-conforming products until a deviation is granted and must abide by the conditions specifically stated in the deviation.

A request for deviation must be approved by GTC prior to shipment of any non-conforming material.

Deviation materials and shipping papers must be positively identified as such prior to shipment from the supplier's facility.

If a supplier discovers that non-conforming material has been inadvertently shipped without deviation authority, contact GTC immediately by telephone. GTC Quality, Purchasing, and Production Departments must either approve or disapprove and the results will be conveyed to the Supplier.

7.3 PROBLEM REPORTING AND RESOLUTION

The following procedure describes the method for reporting and resolving problems. If a significant occurrence is found within GTC, OEM facility or the field, the Purchasing Department may request a Supplier Corrective Action Request as outlined below.



GTC

7.3.1 Long-Term C/A is Requested by GTC

GTC will submit to the supplier a “Supplier Corrective Action Request” form. The supplier must respond within 14 calendar days (unless otherwise noted in Section 5),

If requested, the supplier may be required to present (in person) a report on the effectiveness of the permanent countermeasures to GTC within 30 calendar days of acceptable completion of the C/A documentation (or other arrangements by mutual consent).

If the supplier cannot meet the expected 14-day timeframe for corrective action submission, a written request for an extension must be submitted to QC Receiving for review. If no extension is requested, the corrective action will be considered late and be reflected on the supplier’s scorecard.

8. SUPPLIER CHANGE NOTIFICATION/APPROVAL PROCESS

8.1 INTRODUCTION

Significant changes to the supplier's product, process, or packaging needs to be communicated to and approved by GTC. Changes to any of the following must be communicated to and approved by GTC in advance of the change. For some changes, the product may need to go through the PPAP procedure, if requested by GTC (see Section 10).

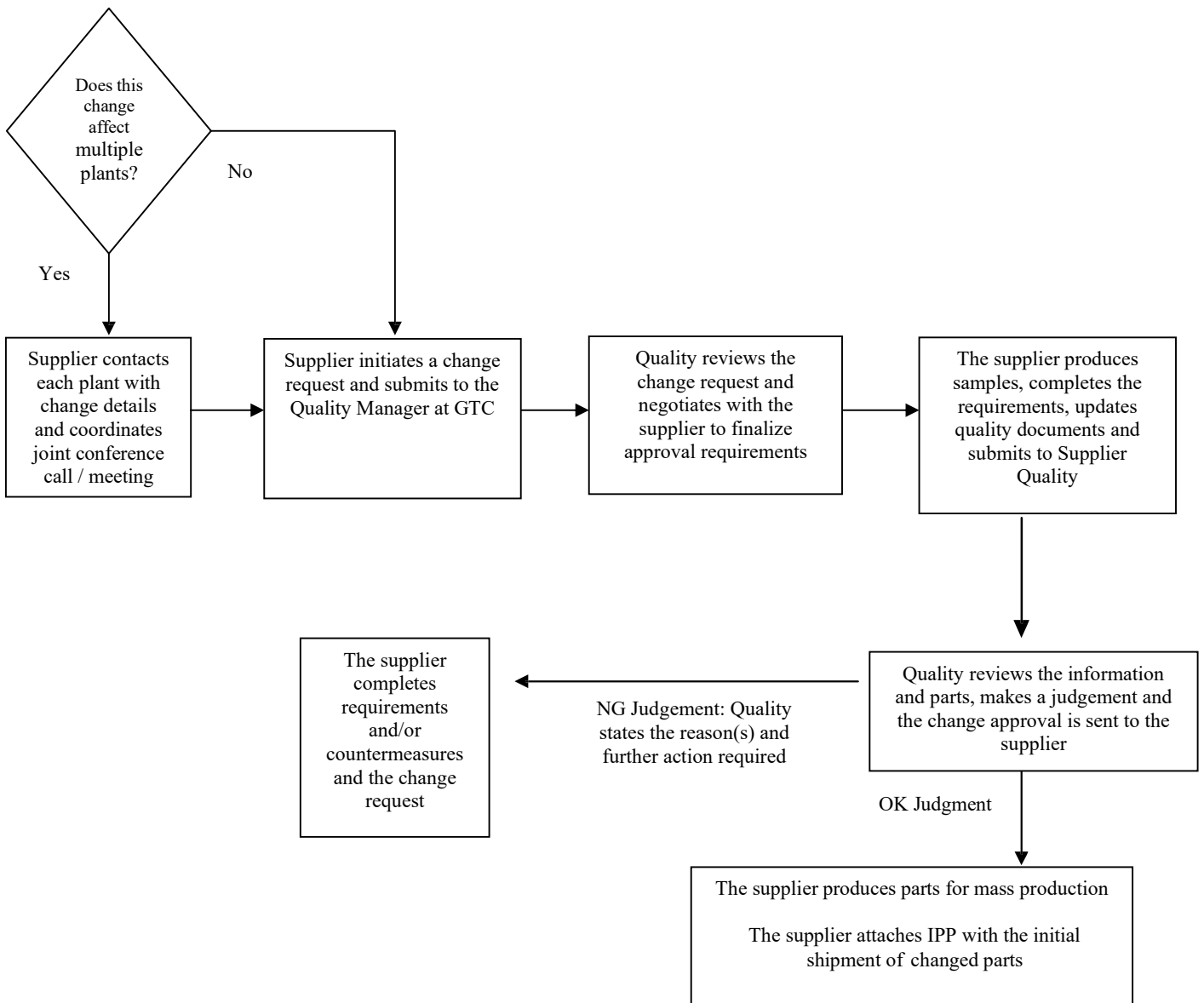
Once approval has been given to make the requested change(s) to any of these conditions, *the first production shipment of goods after the change has been made shall be marked with Initial Production Parts (IPP) labels that clearly show that the shipment is the first produced under the altered conditions.*

<p>A – Change Request</p>	<ul style="list-style-type: none"> The supplier initiating the change must obtain GTC Quality approval prior to use in MP An IPP tag must accompany the first IPP parts for MP and the parts must be properly labeled <p>Note - IPP tags must apply to the first shipment that goes directly to GTC production. Do not send IPP tags with in-process parts.</p>	<ul style="list-style-type: none"> Delivery of IPP parts must be done according to FIFO The supplier must keep the following information <ul style="list-style-type: none"> Date of IPP'd parts production Date of delivery Quality confirmation data such as inspection or testing data
<p>B - IPP Tag</p> <p>Note - B level changes do not require a formal change request unless instructed by GTC.</p>	<ul style="list-style-type: none"> IPP tag must be attached to first IPP parts shipped <p>Note - IPP tags must apply to the first shipment that goes directly to GTC production. Do not send IPP tags with in-process parts.</p>	<p>Same steps as level A</p>
<p>C - Supplier</p>	<p>Internal at the supplier</p>	<p>The supplier tracks these changes. Information is made available to GTC upon request.</p>

No.	Item	Explanation/Examples	A	B	C
1	Design Change	The part drawing changes, altering the physical structure of the part. A design change is done when a new part drawing is issued.	X		
		<ul style="list-style-type: none"> • New part design • Design change that affects the part 			
		<ul style="list-style-type: none"> • Design change that does not affect the physical structure of the part, such as part name or part number 			X
2	New Supplier	<p>A supplier or sub-supplier, who has never produced the part or component, begins manufacturing the part for GTC.</p> <ul style="list-style-type: none"> • Addition of a new supplier or sub-supplier • Changing the supplier or sub-supplier • Change from in-house production to outside supplier (or vice versa) • Change in factory location 	X		
3	Material Change	<p>The material(s) used to manufacture the part is changed.</p> <ul style="list-style-type: none"> • Change of material supplier • Material supplier changed from outside to self-supplied (or vice versa) 	X		
4	Manufacturing Method Change	<p>A process method, setting or condition used in manufacturing the part is changed or modified. This includes any change that effects the way the parts are produced as reflected in the Control Plan. This applies when the normal control range changes, not for routine adjustments.</p> <ul style="list-style-type: none"> • Casting or forging method change • Sintering condition change • Heat treatment condition change • Rubber or plastic molding condition change • Welding condition change • Plating or coating condition change • Machining or cutting condition change • Process standards or setting method change 	GTC Quality to Determine		

No.	Item	Explanation/Examples	A	B	C
5	Process Order Change	<p>The manufacturing process order is changed or deviates from the Control Plan.</p> <ul style="list-style-type: none"> Change to the order of the process, or adding or deleting process steps 	GTC Quality to Determine		
6	Machine Change	<p>When the machine initially used to produce the parts during the approval process has been changed or replaced by another machine. (Machine examples: stamping press, assembly line, injection or blow molding, forge press, etc.)</p> <ul style="list-style-type: none"> Initial use of a new machine Major modification or repair of a machine Equipment relocation within the same plant Equipment relocation outside plant or building Changes to machine control logic (e.g. software upgrade or replacement that affects machine function) 	GTC Quality to Determine		
7	Tool Change	<p>The primary or secondary tooling or jigs are changed, potentially affecting the quality, function, appearance, or reliability of the part. (Jig and tool examples: welding or assembly fixtures used in manufacturing process, cooling fixtures, sonic or heat welding, etc.)</p> <ul style="list-style-type: none"> Change in machining master for camshaft or pistons Change in machining master for other parts New or modified jigs and tools 	GTC Quality to Determine		
8	Die/Mold Change	<p>A die or mold that is used in the manufacturing process is new or changed.</p> <ul style="list-style-type: none"> New or renewed die or mold Revision or repair of the die or mold 	GTC Quality to Determine		
9	Inspection Method Change	<p>The inspection methods of the part are changed, potentially resulting in either an improvement or changes in the part's quality performance. This may require a revision to the Control Plan.</p> <ul style="list-style-type: none"> New or modified inspection equipment Measuring method change or measuring instrument type change 	GTC Quality to Determine		
10	Transportation/ Packaging Change	<p>The method of transporting the part to GTC, or the packaging of the part deviates from the initially approved method. The change could adversely affect the quality of the part.</p> <ul style="list-style-type: none"> Change in delivery method, packaging materials or containers 		X	

SUPPLIER CHANGE FLOW CHART



9. PRODUCT CERTIFICATION REPORTS

9.1 INTRODUCTION

Product Certification Reports (Certificate of Compliance, Certificate of Analysis, Certification of Materials and SPC data) may be required from raw materials and component suppliers, depending on the product and the characteristics. Even if certifications are not required with shipments, it is the Supplier's responsibility to maintain records and supply information upon request from GTC.

10. SUPPLIER APPROVAL

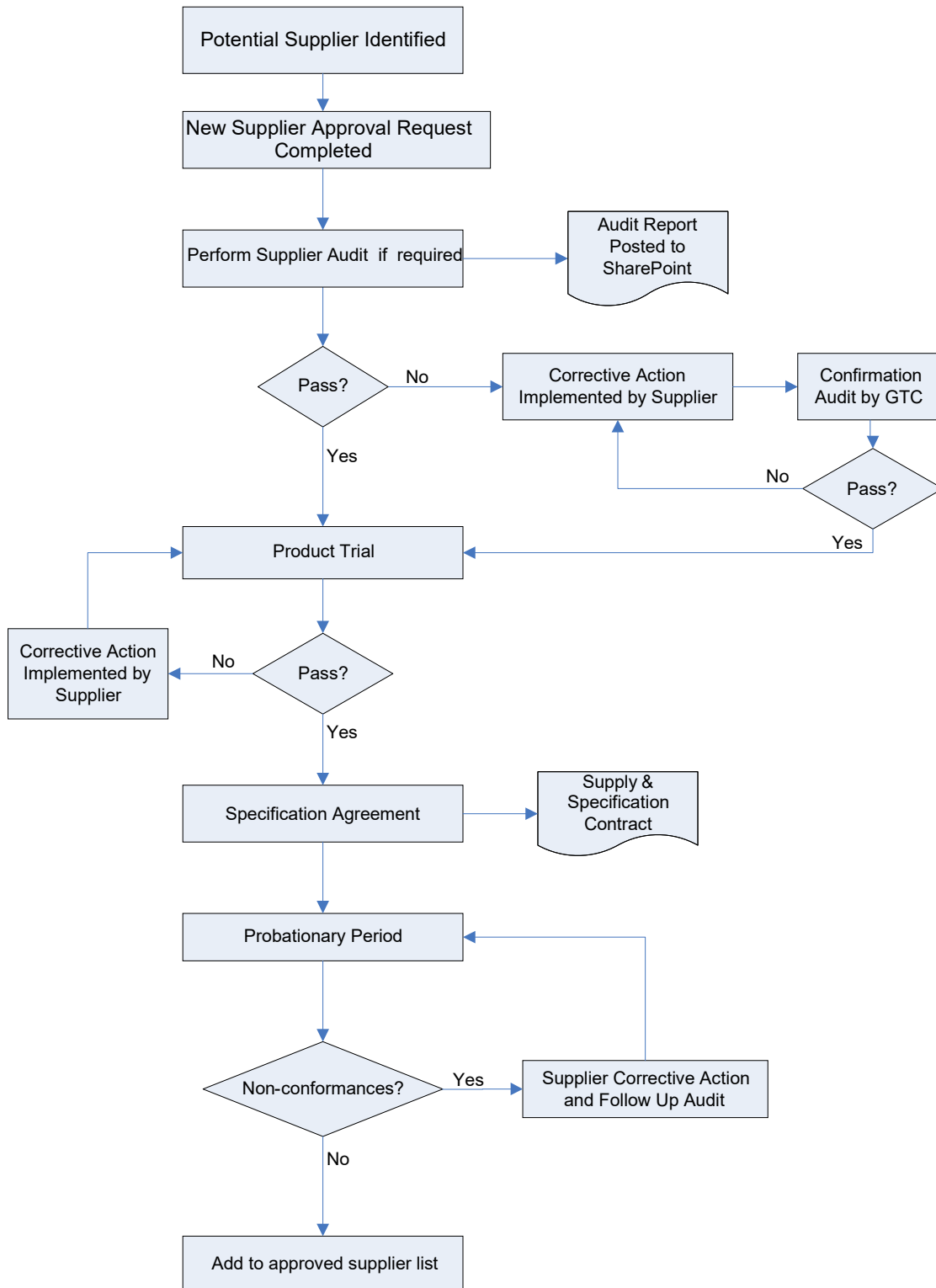
10.1 INTRODUCTION

Before a potential supplier can become approved, GTC requires general information about the potential supplier's business and information about their quality system. First a "New Supplier Approval Request" form is completed. Upon approval of the request, GTC will perform a system audit and/or a QAV. The supplier will then be requested to complete a trial submission (if appropriate), and a probation period (if applicable) until all non-conformities are addressed. If a supplier becomes unwilling or unable to continue the quality of product or service, that supplier may lose the "approved Supplier" status. The flow diagram on the next page illustrates the process.

10.2 QUALITY SYSTEM VERIFICATION

GTC will assess the supplier on the basis of the ability of their quality system to fulfill all the requirements of the ISO/TS 16949 standard. The quality system verification is explained in section 5 "Supplier Quality System Evaluation" of this manual. Suppliers who maintain an active certification will be exempt from this assessment.

New Supplier Approval Process



11. PRODUCTION PART APPROVAL PROCESS (PPAP)

11.1 INTRODUCTION

For specific information on Production Part Approval Process, please see the current edition of *Production Part Approval Process (PPAP)*, available from AIAG.

The Production Part Approval Process (PPAP) applies to all production commodities (i.e., raw materials and components), and is required prior to the first quantity shipment in the situations described in “When Submission is Required.” This includes first parts shipped when a process or product change is made.

Materials used during production, inspection, and packaging that do not become part of the product will be discussed in section 12 of this document, *Supplier Approval for Supplementary Goods*.

Requirements for Production Part Approval

The following documents and items must be completed/available by the supplier for each applicable composition when any of the situations in “When Submission is Required” occur. Direction on which of these items must be provided to the customer is defined in Submission Levels.

- Production Part Submission Warrant (Form PSW)
- Limited product samples (quantities TBD by GTC), sent to the GTC facilities involved. Master Samples are to be retained by the supplier.
- All applicable Specifications/Material Standards and any referenced documentation.
- Dimensional results referenced to the requirement in the appropriate Specification/Material Standard.
- Material test results as specified in appropriate material specification.
- Process Flow Diagrams / On-line Work Instructions / Job Procedures
- Process FMEA's.
- Control Plans which include all product and process-related Significant or Key characteristics. Unique Control Plans will be established for each product family, and each unique composition, where composition impacts originally submitted Control Plans.
- Process Capability results showing conformance to customer requirements for Key, Significant, Safety, Critical and Compliance-related characteristics, with supporting historical or trend data. Measurement System variation (Gage R&R) studies for all equipment used for statistical studies for new or modified gages, measurement, and test equipment (Refer to AIAG Measurement Systems Analysis Manual).

NOTE: For submissions due to engineering changes at the Supplier, the inspection and testing requirements will be determined by the extent of the changes. In some instances, the evaluation may be limited to the areas directly affected by the change. The GTC Supplier Quality Engineer will be able to offer guidance on requirements in this case.

11.2 SUBMISSION LEVELS

GTC will identify the PPAP SUBMISSION LEVEL that will be required from each supplier, or supplier-part number combination. Factors which will determine the level required are:

- Supplier quality rating status
- Part criticality
- Experience with prior part submissions

It is possible that the different GTC plants may assign different submission levels to the same supplier, or to different manufacturing locations of the same supplier.

The levels are:

Level 1 – Warrant only (and for designated appearance items, an AAR)

Level 2 – Warrant with product samples and limited supporting data

Level 3 – Warrant with product samples and complete supporting data

Level 4 – Warrant and other requirements defined by customer

Level 5 – Warrant with product samples and complete supporting data reviewed at GTC

Bulk Materials - The PPAP elements required are defined by the Bulk Materials Requirement Checklist (Reference section F.2 in AIAG PPAP manual) Any specific GTC requirements will be listed on the Bulk Materials Requirement Checklist.

(** Customer Specific Documentation may be required in addition to PPAP Submission)

Note- Product dimensional capability and functionality must be submitted in the PPAP documentation package. If functionality requires an application to glass to evaluate the product, it is the supplier's responsibility to schedule, supply, and fund all testing to validate their product and process.

11.3 PROCESS REQUIREMENTS

- Auxiliary Drawings and Sketches
- Part Specific Inspection or Test Device
- Customer-identified Special (Key) Characteristics - Dimensional and Material or As Specified
- Preliminary Process Capability Studies - An acceptable level of process capability must be determined prior to submission for all characteristics designated as key that can be evaluated using variables data. (capability of non key characteristics may be required per GTC's direction)
Process capability will be depicted by
 - Providing statistical summary data collected during the production run (Average, Max, Min, Std. Dev.)
 - Providing a process performance index P_{pk} where variation is estimated using the standard deviation of the sample set from normal product sampling measures.
 - Appearance Approval Requirements
 - Dimensional Evaluation (Analysis of data to be generated with measurements performed per control plan, with sufficient data samples for estimation of process variation)
- Material Tests
- Analysis of data to be generated with measurements performed per control plan, with sufficient data samples for estimation of process variation. Include key characteristics per the Material Specification.

11.4 PREPARING THE SAMPLES

When samples are required, GTC suppliers will have the responsibility of performing on those samples the inspection and tests necessary to assure that the samples conform to standards and specifications. A *Production Part Approval--Dimensional Results Form* or a *Production Part Approval--Material Test Results Form* (See *Production Part Approval Process Manual*) shall be completed and addressed to the QA Department at the affected GTC Plant. Below is a list of sample requirements:

- Before shipment of parts, the affected GTC Plant will identify how many samples should be submitted.
- Each sample shall be marked with a unique number that corresponds to its test result number on the **Results** Report.

Each characteristic submitted for approval must meet agreed specifications.

11.5 RECORD & MASTER SAMPLE RETENTION

The supplier will retain copies of *all* production part approval documentation identified in Section 11.2, including SPC results, regardless of the submission level requested by GTC. This record will show conformance to all dimensional, physical, performance, and other test specifications, and will be maintained for a period of *seven years*.



11.6 PART SUBMISSION STATUS

Suppliers will be notified by GTC as to the disposition of the submission. After sample approval, suppliers are responsible for assuring that future production continues to meet all specification requirements.

Suppliers must never ship their products for production use before receiving GTC approval.

- **Production Approval** indicates that the part meets all GTC specifications and requirements. The supplier is therefore authorized to ship the part for production use subject to releases from the GTC scheduling activity.
- **Interim Approval** permits shipment of material for production requirements on a limited time or piece quantity basis. Interim Approval will only be granted when the supplier has:
 - Clearly defined the root cause of the non-conformities preventing production approval, and
 - Prepared an interim approval action plan agreed upon by GTC. Re-submission to obtain “production approval” is required unless the supplier is advised that GTC has revised the drawings or specifications to agree with the part as manufactured.
 - Material covered by an interim approval that fails to meet the agreed-upon action plan, either by the expiration date or the number of pieces or the authorized quantity, will be rejected. No additional shipments are authorized unless an extension of the action plan is granted.
- **Rejected** means that the submission, the production lot from which it was taken, and accompanying documentation do not meet GTC requirements. Corrected product and documentation must be submitted and approved before production quantities may be shipped.



12. SUPPLEMENTARY GOODS APPROVAL PROCESS

12.1 INTRODUCTION

The term “Supplementary Goods” refers to goods that are used in the production, inspection, and packaging of product, but are not incorporated into the product by GTC.

12.2 WHEN CERTIFICATION OF SUPPLEMENTARY GOODS IS REQUIRED

From suppliers of supplementary goods, GTC may require submission of representative samples of the product being offered, and/or certification reports. Samples help GTC determine the suitability of the product being offered for use in the desired application. The purpose of the certification is to assure GTC that the goods meet the stated requirements.

Consumable supplies and testing instruments available “off-the-shelf” from standard supply houses are exempt from the sample requirements, but individual instruments may require a certificate of calibration, traceable to NIST.

Exempt also are items in which dimensional certifications are not helpful (such as bending molds, where subtle differences in placement of structural supports may affect the heat transfer qualities of the mold, exerting a major effect on shape of final product).

Examples of candidates for supplementary goods samples and supplier certification are:

1. Custom made, unique measuring and gauging devices
2. Value-added operations (such as those provided by assembly companies before delivery of GTC glass to the auto manufacturer),
3. Packaging materials (or any other indirect supplies) with special requirements.

Certifications will be required only if requested by GTC. Request for certification data usually is made at the time of the first purchase and continues throughout the business relationship. Occasionally, a supplier may be asked to provide certifications for all materials shipped to GTC after a certain future date.

13. CORPORATE SOCIAL RESPONSIBILITY

13.1 INTRODUCTION

The term “Corporate Social Responsibility” (CSR) is a process for companies to incorporate social, business ethics, environmental, and supply chain sustainability into their operations and corporate strategy. All companies are expected to adhere to the following CSR principles and guide it through their supply chains. GREEN TOKAI CO., LTD. and their suppliers must continually strive to uphold these principles, and to hold each other accountable.

13.2 SOCIAL SUSTAINABILITY

Social sustainability is where companies will engage in practices that improve the well-being of its employees, shareholders, and surrounding communities. Companies should have a policy to oversee their working conditions as well as the basic human rights of their associates. Policies should include but are not limited to the following sections:

- Human rights
- Child labor
- Wages and Benefits
- Forced labor
- Health & Safety
- Harassment
- Non-discrimination

13.3 BUSINESS ETHICS SUSTAINABILITY

Business ethics is where companies will engage in the highest standards of integrity and to operate honestly throughout the supply chain in accordance with local laws. Companies should have a policy to ensure ethical standards are being enforced and met. Policies should include but are not limited to the following subjects:

- Corruption
- Extortion
- Bribery
- The Right to Privacy
- Financial responsibility (accurate records)
- Fair Competition and anti-trust
- Conflict of Interest
- Counterfeit parts
- Intellectual Property
- Export Controls and Economic sanctions
- Retaliation

13.4 ENVIRONMENTAL SUSTAINABILITY

Environmental sustainability is where companies will engage in practices that will contribute to the quality of the environment on a short and long-term basis. Companies should have a policy to



ensure environmental standards are being enforced and met. Policies should include but are not limited to the following:

- Environmental management system
- Energy management system
- Procedure to manage Restrictions (REACH, RoHS, etc.)
- Procedure to manage IMDS reporting

13.5 SUPPLY CHAIN SUSTAINABILITY

Supply Chain sustainability is where companies need to engage with their direct and indirect suppliers to build these CSR principles into their respective companies and throughout their supply chains. The entire supply chain should promote social, ethical, and environmental responsibility. This also entails the responsible sourcing of materials where companies are expected to understand the sources of their materials and that they were obtained ethically and legally. An example of this is Conflict Minerals Reporting as required by the Dodd-Frank Wall Street Reform and Consumer Protection Act and the EU-Directive on Conflict Minerals.

APPENDIX A

GLOSSARY

AIAG	Automotive Industry Action Group
CRITICAL CHARACTERISTICS	Same as Key Characteristics: Those specified in the applicable GTC Receiving Specification.
FMEA	Failure Mode and Effects Analysis: See <i>Potential Failure Mode and Effects Analysis Manual</i> , published by the Automotive Industry Action Group
KEY CHARACTERISTICS	Those characteristics which are specified in the applicable GTC Receiving Specification
PPAP	Production Part Approval Process; The process by which new suppliers, new production processes, new locations, etc. are granted approval to ship product to GTC. Reference: <i>Production Part Approval Process (PPAP)</i> . Available from Automotive Industry Action Group (AIAG) by telephoning (810) 358-3003
QSA	Quality System Assessment; See <i>Quality System Assessment</i> , published by the Automotive Industry Action Group.
SPC	Statistical Process Control; See <i>Fundamental SPC Manual</i> , published by the Automotive Industry Action Group.
IPP	Initial Production Part
CSR	Corporate Social Responsibility



APPENDIX B

FORMS AND FORMATS

SCAR	Supplier Corrective Action Request
PSW	Part Submission Warrant

SUPPLIER ACKNOWLEDGEMENT

As a supplier of production materials and/or parts to Green Tokai Co., Ltd., I acknowledge that:

I received a copy of the Green Tokai Co., Ltd. Supplier Manual and accept its terms.

Signature

Printed Name

Company Name

Title

Date