

# Springs Window Fashions, LLC

## Global Supplier Quality Manual



**2008**

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# Springs Window Fashions, LLC Global Supplier Quality Manual

## FOREWORD

Springs Window Fashions, LLC. (Hereafter referred to as SWF) is a leader in the window covering industry, SWF manufactures and markets high quality window fashions and drapery hardware that provide value to the consumer. As a leader in this industry we understand fashion trends and continually provide innovative solutions to customer needs while exceeding their quality and style expectations. Our products are sold through a variety of global sales channels including retail, commercial, fabricators, builders and dealer/decorators.

## SWF and Best Experience

Congratulations on being considered a Supplier to SWF. As a Supplier to SWF, you are part of a dedicated group of Suppliers who are committed to excellence in every aspect of their performance. This document, along with others that will be coming to you in the future, will set forth the expectations and requirements that SWF has for its Suppliers.

SWF has differentiated itself from other window covering product manufacturers by its strategy of Best Experience. SWF is dedicated to creating a Best Experience for all key stakeholders. These stakeholders include SWF associates, our customers, the consumers who purchase our products for use in their homes, and the communities in which we operate. Another important stakeholder in this chain are the companies who make up our Supplier base. This document helps to introduce the Best Experience aspects of Supplier Expectations, our Supplier Balanced Scorecard and our Supplier Certification process.

We will work jointly to share information and feedback, build trust and develop mutually beneficial procedures and processes. Together, we are focused on the needs and interests of our customers and consumers, and the elimination of waste from all areas of the supply chain.

## Supplier Expectations

To be considered as a Supplier to SWF, Suppliers must understand and perform to our SWF Top Level Supplier Expectations. Quite simply, the following are our Top Level Expectations:

- First Quality the First Time, On-time Delivery, Competitive Prices, Innovative and Responsive Behavior, and Continual Improvement of our Business Processes
- An understanding that Quality Improvement is not optional.
- Suppliers Know, Understand, and Meet or Exceed our Expectations

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## SWF Can Work Effectively with its Suppliers by:

- Building Trust
- Sharing Information
- Developing Joint Programs
- Measuring Results

As such, all Suppliers must abide by the policies set forth in the SWF Global Supplier Quality Manual. SWF, at their discretion may be more restrictive in implementation of the Supplier policies and supporting procedures but in no case less restrictive.

## 1.0 Introduction

### 1.1 SWF Quality Policy

SWF is about creating a Best Experience for our customers, consumers, our associates, and our business partners. In order to achieve this we use the “Quality at the Source” philosophy. This philosophy means that all our associates and Suppliers know what quality is, and how to achieve it. Errors and defects are caught and eliminated at the source of the work and not passed on through the Value Stream and ultimately to the next customer.

### 1.2 Purpose

This SWF Global Supplier Quality Manual establishes minimum quality requirements for all SWF Suppliers of production materials, products and services.

The requirements within this manual are provided as a supplement to, and do not replace or alter the terms or conditions within SWF supply and purchase documentation, engineering drawings and/or specifications. SWF at its discretion may be more restrictive in implementation of the Supplier policies and supporting procedures but in no case less restrictive.

The manual establishes general policy; however, when needed, Suppliers may obtain additional information from the SWF Supplier Quality Development contact(s). If conflicting interpretations arise, the following order of precedence applies:

- Supply and Purchase Agreement and/or Purchase Order
- Specification or Drawing
- SWF Global Supplier Quality Manual

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### 1.3 Scope

Applies to all Suppliers of materials, products or services to SWF; It is the responsibility of SWF suppliers to ensure that their Suppliers also support compliance throughout the supply chain.

### 1.4 Responsibilities

- SWF Global Purchasing and Supplier Quality Development Teams are responsible for SWF Global Supplier Quality Manual implementation, and have authority to ensure all Suppliers meet and fulfill requirements.
- Suppliers are responsible for ensuring that products and/or services provided meet established requirements and assume full responsibility for the quality thereof. Approval and verification by SWF of Supplier's facilities, systems, records and product does not absolve the Supplier of the responsibility to provide acceptable product, nor shall it preclude subsequent rejection by the customer.

### 1.5 Expectations

SWF has the following expectations of all global Suppliers. The Supplier shall:

- 1.5.1 Provide 100% quality parts/services with 100% on-time delivery;
- 1.5.2 Continually strive to enhance product quality, value, and manufacturing productivity to meet increasing competitive pressure in our global economies;
- 1.5.3 SWF is serious about securing its international supply chain. To that end, SWF is a participant in the joint initiative between U.S. Customs and businesses to enhance homeland security via tighter controls on entering cargo. SWF is Customs Trade Partnership Against Terrorism (C-TPAT) certified and asks its partners to ensure the integrity of their security practices. Suppliers must be able to verify for SWF with us the security guidelines of their international supply chain. For more information on C-TPAT, please see the link on C-TPAT in the appendix.
- 1.5.4 Provide and maintain Certificates of Country of Origin and appropriate supporting documentation. Make such documentation available for inspection to SWF and or any assigned Agents responsible for auditing such certificates.
- 1.5.5 Abide by SWF terms and conditions", See Appendix A
- 1.5.6 Follow the laws and security guidelines of other countries as applicable. SWF reserves the right to inspect and enforce our Human Rights/Social Compliance policies.

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- 1.5.7 Conform to the ISPM15 wood packaging regulations as required or International shipping/ distribution.
- 1.5.8 Provide all documentation and information **in English** to ensure documents are transferable and understood within all SWF facilities. This requirement is for all requests for records and documentation submitted to SWF as specified in this manual. This requirement can only be waived by the Location receiving the documentation.
- 1.5.9 Support SWF in addressing customer failures related to the Supplier's product/ service to include financial reimbursement and assisting the customer to resolution.
- 1.5.10 Embrace electronic communication with SWF as an intended benefit to both parties. SWF supports two electronic methods of sending data: via Electronic Data Interchange (EDI) and via the Internet. Using one of these two methods enables exchanging Planning Schedules, Inventory Position, Purchase Orders, Purchase Order Changes and Invoices, for example.
- 1.5.11 Demonstrate quality planning to foster continuous improvement, defect prevention and process optimization. Preferred methods include Advanced Quality Planning (AQP), Control Plans, and Production Part Approval Process (PPAP). Quality planning methods may include, but are not limited to:
- Process capability analyses with statistical process controls Document
  - Control plans incorporating process controls to detect and correct manufacturing defects before finished products are completed
  - Operator and inspection instructions eliminating non-productive steps required to inspect quality into the supplied materials
  - Packaging plan
  - Process flow charts
  - Root cause analysis, corrective action and preventive action
- 1.5.12 Any significant changes in business climate such as a change in material , acquisitions, divestitures, pending litigation, labor disruptions that can have a material negative effect on the supply of product or services to SWF or the financial condition of Suppliers, or any activity that may change the financial viability or business purpose of the Supplier's organization must be communicated in writing to the appropriate SWF Global Purchasing Agent within three business days of such occurrence.

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## 1.6 Supplier Receipt and Acceptance of SWF Global Supplier Quality Manual Content

Prior to being awarded business from SWF all new Suppliers must: Read the SWF Global Supplier Quality Manual Print, sign, date and return the Acknowledgement from the Global Supplier Quality Manual to confirm their understanding of the document and agreement to comply with its content and requirements. The manual may be updated periodically by SWF. To verify revision level or obtain the latest version of this document, go to [www.springswindowfashions.com](http://www.springswindowfashions.com) or Contact SWF Supplier Quality Development Contact(s) and refer to SWF Global Supplier Quality Manual. Suppliers are responsible for obtaining and using the current revision of this document.

## 2.0 Key Quality Requirements

### 2.1 Quality System Requirements

Suppliers must establish, maintain and demonstrate quality systems with supporting procedures to ensure that products and services conform to SWF purchase agreements and specifications at the Supplier locations and throughout the supply chain. All Suppliers must complete and submit a Supplier Self Assessment Questionnaire (Insert name and doc #) and provide all required documents noted in the Questionnaire. In addition, a site audit by SWF representatives or designated agent may be required prior to awarding business. In addition, the Supplier shall demonstrate capability to attain appropriate internationally recognized standards certifications as required for the product/process involved. Examples include UL, UL GS, NSF, CSA, ASTM, CE, CCC, SAI, WCMA.

#### 2.1.1 Requirements for Suppliers of Production Materials

SWF prefers Suppliers of production materials with proof of certification to ISO 9001 by an accredited registrar.

The Supplier quality system should ensure that products are traceable to raw materials or components used in the manufacturing process, production operation, and date of manufacture, revision level and records of evaluation of conformance. (Including inspection and test operations, rework and sub-Supplier procedures) Product should have positive identification at all times to address traceability via lot numbers, date codes or other means as applicable.

In cases where a Supplier's quality system is inadequate, the Supplier must provide an action plan and timeline for compliance per SWF approval.

#### 2.1.2 Change in Status

In the event a Supplier's quality registration status changes or is suspended, the Supplier must notify the SWF Supplier Quality Development Contact(s), within five (5) business days. In this case, the Supplier may be audited by SWF or designated agent and/or be required to provide documentation explaining the status change including a plan for corrective action.

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## 2.2 Suppliers of services and non-production materials to SWF.

Shall be required to show proof of an effective quality management system. In cases where a Supplier's quality system is inadequate, the Supplier must provide an action plan and timeline for compliance per SWF approval.

## 2.3 Record Retention Requirements

Quality records shall be maintained so they remain legible and are available for review upon request and may be in any media such as electronic or hardcopy. Records should include accurate, updated and complete quality data. Material Safety Data Sheets (MSDS) or applicable international documentation, certificates of analysis (C of A), process documentation, or other information as applicable and required. Records shall be kept for defective components and assembly processes to highlight problem areas and trends. Records of production materials shall be maintained for a minimum of seven (7) calendar years, or per the accepted industry standard requirements, or per customer requirements whichever is greater. Records of non-production materials and services shall be maintained for a minimum of three (3) calendar years, or per the accepted industry standard, or per customer requirements, whichever is greater.

## 2.4 Warranty

Suppliers must have the capability of supporting life cycle requirements of the product. Suppliers are expected to demonstrate reliability that meets or exceeds SWF requirements. Suppliers having design or co-design responsibility must participate in reducing the number of warranty concerns. The Supplier must track and analyze the causes of warranty claims and use the information to improve processes and product quality. This will support enhanced customer satisfaction and continued business for SWF and Suppliers.

## 3.0 Supplier Approval/Qualification

SWF maintains a Supplier selection and sourcing process to evaluate and identify potential sourcing partners. Suppliers must be capable of meeting quality, delivery, cost and continuous improvement objectives and are evaluated for such.



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### 3.1 Supplier Evaluation

All Suppliers must complete a Supplier Self-Assessment Questionnaire and provide all required documents noted in the Questionnaire for review.

Along with Supplier Self-Assessment Questionnaire (reference check, credit analyses, etc.) and a review of the SWF Global Supplier Manual and Supplier Self Assessment Questionnaire results, candidate Suppliers may also be subjected to a request for more detail, and / or an onsite Audit in accordance with SWF Global Purchasing procedures to assess Supplier effectiveness in key functional areas such as procurement, engineering, manufacturing, and quality. In addition, the Supplier must have appropriate regulatory approvals (ASTM, CSA, UL, etc.) as required for the product/process involved.

A Supplier with a favorable evaluation can be listed as approved for business with SWF. A Supplier with an unfavorable evaluation may be listed as Probationary, and subject to specific corrective actions on a mutually agreed timeline; Probationary approval enables SWF to contract with a Supplier that is pending a site survey and/or corrective action from a site survey. It is not to exceed 6 months.

If after six (6) months, a Supplier has not satisfied approval requirements, the Supplier may be removed from the Supplier List.

### 3.2 Supplier Site Audit

SWF reserves the right to perform periodic on-site audits of the Supplier's facility, quality systems, records, and product ready for shipment. Supplier shall have a process to ensure compliance with all applicable government safety and environmental regulations. The Supplier's personnel, gauging, and test facilities shall be made available as required for audit.

- **New Suppliers:** May be surveyed prior to SWF ordering production materials or services. A satisfactory capability rating or development plan is a prerequisite to the order.
- **Current Suppliers:** May be surveyed by SWF to establish capability prior to placement of new business.

### 3.3 Approved Supplier List

An Approved Supplier List is maintained by SWF Global Purchasing from which buyers may select Suppliers for business placement. This master file captures the Supplier contact information, Supplier status and approval documentation.

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## 4.0 Part Approval

Parts or components being sourced must be approved for production by SWF. It is the Supplier's responsibility to meet all applicable specifications. Suppliers are not authorized to begin shipment of production quantity material to SWF prior to part/process approval. Small quantities of parts for reliability/engineering testing, and sample needs are the only exception.

A drawing/specification review will be conducted prior to the production part approval process. SWF will approve parts via the following methods:

### 4.1 First Article Inspection/ Layout Review

Supplier is required to submit a First Article Inspection to demonstrate adherence to engineering specifications identified on drawings and related documentation. See appendix D for appropriate form. This can include, but not limited to:

- Dimensional Inspection/Layout
- Material verification
- Compliance to Product Safety
- Compliance to Lead content
- Compliance to Fire Retardency
- Aesthetics

### 4.2 Production Part Approval Process (PPAP) Is required prior to first production shipment.

Forms used (See Appendix D) for forms used). PPAP must be completed for the following:

- New parts
- Changed parts
- New Supplier, sub-Supplier, process change, or location change
- If previous PPAP was rejected
- As designated by SWF

If any of the following changes are planned prior to first production shipments, the Supplier must inform SWF. Changes can include but may not be limited to:

- Significant changes to manufacturing process
- Material and composition changes
- Sub-Supplier changes
- When equipment or processes are moved to another location

### 4.3 Design Review

A formal Design Review will be used to demonstrate that Supplier components or final product characteristics meet all engineering specifications and SWF customer requirements as indicated in section 4.1. The Design Review requirements are further defined in the Glossary (Section 14).

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## 4.4 Measurement System Analysis

Supplier may be required to submit document to ensure consistency and repeatability of measurement. (i.e., gauge Repeatability & Reproducibility (R&R).)

## 5.0 Corrective Action

### 5.1 Introduction

Suppliers to SWF are responsible to provide defect-free products and services. When quality issues occur, the issue will be logged. For chronic issues and rejected material, the Supplier is required to determine root cause and corrective action to resolve the issue and to ensure no recurrence. Suppliers will support SWF with technical assistance and field support to rectify any substantiated non-conformance. SWF reserves the right to recover justified expenses from Suppliers for rejected material and performance failures related to quality and delivery issues.

### 5.2 Non-conformance

**5.2.1** Defective material or service may be identified at any point in the process including incoming inspection, use, consumption, assembly or packaging. Defects can also be discovered during surveillance, validation, at the end customer or through warranty claims.

**5.2.2** All Supplier issues will be logged and evaluated by SWF Supplier Quality and Global Purchasing. SWF will escalate issues to corrective actions as needed.

**5.2.3** Suppliers will be notified through communication of a correction action request upon the detection of non-conforming material and/or service (or when late delivery results in a line shutdown condition).

**5.2.4** All attempts will be made to contact the Supplier prior to any containment or sort. Non-conformance discovered at SWF may be handled in any of the following ways and at the discretion of SWF:

- Rejection of the entire lot and return to the Supplier
- Rejection of the entire lot and scrapping at SWF
- Deviation initiated by Global Purchasing and approved per SWF internal Approve on Deviation (AOD) procedure. Product cannot be shipped or consumed prior to deviation approval.
- Sorted, screened or reworked at SWF facility; Supplier resource(s) and or third party may be required to support rework.

To avoid SWF production line down charge, SWF reserves the right to proceed with material containment and sorting without prior authorization from the Supplier.

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Type of Charge	First Occurrence	Repeat Occurrences
Standard charge back for Administration	\$75	\$150
Charge for Defective Material Returned or Scrapped	Actual	Actual
Sorting/rework of Nonconforming product by SWF	\$35/hour/person	\$55/hour/person

### 5.3 Supplier Response

**5.3.1** Supplier must take immediate action upon receipt of a Supplier corrective action request including direct contact with SWF Supplier Quality Development as specified - unless the request states 'information only'. Supplier must acknowledge receipt of a corrective action request within two business days.

- Identify and initiate a short-term containment plan to prevent additional non-conformance at SWF. This may include the inventory at SWF facilities, in the distribution system, at the Supplier and in Supplier production.
- Identify a short-term corrective action plan with timing to replace non-conforming material with conforming material.
- The containment actions, short-term corrective actions and date implemented must be documented in writing by the Supplier and communicated to Supplier Quality as prescribed in the corrective action request.
- Short term corrective action plans must be completed within five business days. Containment actions should be initiated as soon as the complaint is received by the Supplier.

**5.3.2** Supplier must provide response to a corrective action request to SWF Supplier Quality Development contact. The response must include or document:

- Definition and verification of the non-conformance root cause including supporting data and/or study results;
- Verification of permanent corrective action including supporting data, implementation dates and updated process documentation.
- The lot number/effectively dates for the long-term corrective action implementation date must be identified. Any updates to the corrective action plan, such as completion dates, must be communicated to SWF.
- The long term corrective action plan should be implemented within 20 business days after the receipt of a corrective action request.

## 6.0 Supplier Deviation Request (SDR)

### 6.1 Issues requiring a SDR

The Supplier shall notify Supplier Quality Development in writing, as soon as they become aware of any facts suggesting the product to be shipped does not conform to design requirements. The Supplier shall notify SWF Supplier Quality Development, in writing, prior to any change in process, material, or modification of tooling (see Appendix E).

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## 6.2 Requests for Deviation

The Supplier may submit a Deviation Request to SWF Supplier Quality Development for product not conforming to design requirements. SWF Supplier Quality Development will process the request. Deviation cannot affect product safety or performance of the finished product. The request must be made and approved *prior* to the shipment of discrepant material. All deviated product must be clearly identified. If the deviation is not approved, the Supplier may not release deviated product. Unapproved product will be rejected. All deviations must be documented (see Appendix E).

## 7.0 Supplier Rating and Monitoring

### 7.1 SWF Balanced Scorecard Approach

SWF Window Fashions (SWF) uses a Balanced Scorecard (BSC) approach to measure key leading and lagging performance metrics. BSC metrics are linked so that there is alignment between organizational goals and those of functional areas. The SWF Supplier BSC has been established using this same approach and will enhance communication and continual improvement opportunities within the SWF supply chain. Key Suppliers will be measured using a Balanced Scorecard process that provides regular performance feedback on the following categories:

- Quality 0 (zero) defects
- Delivery On time to P.O. promise date
- Continual Improvements Process improvements, Lean initiatives/waste Reduction, Cost reduction, and Lead-time/lot size reduction
- Service Relationship Innovative solutions, Positive customer focus, Contingency plan, Urgency/Responsiveness/ Expedited delivery, Communication, Technical Knowledge/ Capability

### 7.2 On-site Assessments

Current Suppliers may be surveyed by SWF or assigned Agents, to establish capability prior to placement of new business and to investigate issues. SWF reserves the right to perform periodic on-site appraisals of the Supplier's facility, quality systems, records, and product ready for shipment. The Supplier's personnel, gauging, and test facilities shall be made available as required.

### 7.3 Classification

Suppliers are expected to provide exceptional performance and service to SWF. As such, key Suppliers are monitored in objective and subjective areas such as quality, on-time delivery, process/product improvement, innovation, responsiveness, and Best Experience (BEx) Service Relationships. The information is organized with a structured method of Supplier classification to evaluate Suppliers and their relationships with SWF. As an integral part of Supplier management, classification of Suppliers enables the SWF organization to prioritize resource allocation - towards Supplier improvement or development, Supplier recognition, placement of additional business, etc. The results of Supplier classification should be discussed during regular joint business review meetings between SWF and the Supplier.

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Suppliers are classified as follows:

**Certified** -This is the highest level of certification in the SWF System. Certified Suppliers have all products in a ship to stock status and have done so for an extended period of time. These Suppliers also have quality management systems in place to provide: quality cost reporting, design control, manufacturability and quality plan review, first article inspection/tests, process control, lot control and traceability, procedures and work instructions, and more.

**Preferred** -Suppliers in this classification level have demonstrated above average performance over an extended period of time. Products supplied are at the reduced inspection level, with possibly one or more at the Ship-to-Stock levels.

**Approved** -These Suppliers have passed the SWF Supplier Selection Survey and Review process and have demonstrated acceptable results in their performance and/or through an on site audit. This category includes new Suppliers who may have just been added to our Supplier pool but have yet to provide SWF with any material. Current Suppliers at this level are those whose products still require incoming inspection.

**Corrective Action** - This is a temporary classification for Suppliers who have unacceptable levels of rejections, complaints or are causing SWF extra work for inspection, sorting or rework. These Suppliers may be responsible for putting customer orders on material hold, and jeopardizing our company's service performance goals. Suppliers in this category have shown signs of an effort and commitment to improve. They must show improvement within a predetermined time period and then move up the certification chain, or they will drop to the Probationary level.

**Probationary** - These Suppliers have failed to demonstrate the ability to perform at an acceptable level of performance. Such Suppliers have a history of repeated rejections, failure to enact adequate corrective actions, and a failure to demonstrate a commitment and record of improvement. These Suppliers may be replaced.

7.4 For more information refer to SWF Supplier Performance Balanced Scorecard User Manual. To obtain a copy, call or write to your SWF Supplier Quality Development contact.

## 8.0 Management of SWF Supplied Product

### 8.1 General Requirements

All tools, manufacturing, test or inspection equipment belonging to SWF, or their customers, shall be used exclusively for SWF products unless an authorization in writing exists.

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## 8.2 Tracking

All SWF tooling or capital assets must have an asset number for tracking. This information should be captured by SWF in the purchase order transaction record. The Supplier shall establish procedures for the permanent identification and tracking of SWF supplied product and equipment including preservation of the asset number.

## 8.3 Tooling and Gauging Requirements

The Supplier shall notify SWF in writing of supplied tooling or gauges that are lost, damaged or are otherwise unsuitable for use. SWF supplied tooling and gauges shall not be disposed of without written authorization from SWF. Supplier is responsible for calibration, proper storage, etc.

All inspection equipment and gauges provided by SWF shall be utilized as indicated in quality plan. The Supplier must establish, implement, and maintain a procedure to verify the acceptability of all verification gauges and equipment at specified intervals as indicated in quality plan to ensure integrity of the devices. Supplier must notify SWF when inspection equipment and gauges are operating outside of agreed-upon limits of variation. SWF may require gauge lab certifications of industry standards or the use of accredited labs.

## 8.4 Standards

All SWF provided color and aesthetic standards must be properly managed and maintained by Supplier. SWF will monitor standard age and replace on routine basis. If Supplier recognizes shift or variation in standard as compared to received conditions, they are to notify SWF for replacement.

## 9.0 Packaging, Labeling, & Handling

In-process and finished products shall be appropriately packaged to protect from damage. Packaging shall meet all applicable shipping laws, codes, and regulations. All shipments shall be packaged or placed in a new container unless otherwise specified. Packing list must accompany all shipments and shall be attached to the carton exterior in shipping envelopes. All packaging must be qualified to International Safe Transit Association (ISTA) test standards as appropriate. Conform with the ISPM15 wood packaging regulations as required for International shipping/distribution.

The Supplier shall ensure that all SWF packaging is clean and free from dirt, debris, foreign materials, and damage. All returnable packaging and dunnage that is not clean and free from dirt, debris, foreign material and damage may be subject to rejection.

Packaging shall be labeled in accordance with all SWF standards, unless otherwise specified. The packaging and labeling shall meet SWF specifications or requirements. Each shipment shall be marked with the SWF part number, quantity, purchase order number, lot number, and any other specified requirements as applicable.

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All shipments are to be shipped as per freight term basis and route shown on face of purchase order. If routing is not requested, ship via most economical way. SWF reserves the right to route all shipments. No charge shall be made to SWF for packing, boxing, or cartage unless authorized in writing. Supplier shall be liable for loss or damage resulting from failure to provide adequate protection during shipment. Additional expenses resulting from deviation from specified routing, noncompliance with other shipping instructions or improper description of shipment in shipping documents shall be Supplier's responsibility.

Receiving Guideline (see Appendix B).

Internet Transportation and Routing Guidelines for North America (see Appendix C).

## 10.0 Product Characteristics

SWF specifies the use of symbols to identify critical dimensions that affect Product Safety, fit, form, and function. SWF will also identify critical to quality characteristics by stating non-dimensional detailed specifications and related tolerances in the "Note" section of the drawing.

- Critical inspection dimensions are identified on drawings encircling the value with an oval shape (example)

1.250 +0.005
--------------

- Critical inspection dimensions can also be indicated by placing a triangle next to the critical dimension (example)



- Non-dimensional specifications are summarized in the "Notes" section (example)
  1. Material: 100% polyester
  2. Tensile Strength: 130 lbs
  3. Package unit: 1000 yards

Discussions with the Supplier shall be held early in the process to review, jointly discuss and agree on customer and significant characteristics. Any concerns by a Supplier on the ability to meet the requirements should be communicated as early as possible. Features not labeled as a key characteristic are considered normal characteristics. If discrepant, the characteristic is likely to have a minor effect on function or appearance.

Features classified as normal must conform to specification. Assignment of key characteristics does not reduce the importance of any other characteristic on a drawing. Every tolerance is absolute and shall not be exceeded regardless of classification.

The Suppliers document control system must ensure that the appropriate engineering drawings and specifications are available at the respective manufacturing, test, or inspection location.

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## 11.0 Supplier Request for Change (SRC)

### 11.1 Change Request

All changes to supplied production materials must be properly documented and approved in writing by SWF. All product, material and process changes having the potential of affecting product quality, safety, form, fit, function, and aesthetics require a Change Request. **Part approval resubmission may be required.** If uncertain whether a Change Request is required, the Supplier shall question the SWF Supplier Quality Development contact.

Changes requiring approval include, but are not limited to, the following:

#### Process

- Reduction or change in product testing
- Movement of production line equipment
- Production line machine/equipment changes
- Manufacturing location changes
- Tooling transfer, refurbishment, replacement or additional tools

#### Design

- Construction changes
- Constituent material changes
- Constituent material sourcing changes
- Change to optional construction material
- Changes to agreed dimensional specifications

#### Workmanship

- Changes to aesthetic quality and agreed and established workmanship standards both visual and written.
- Obvious defects which do not meet Standard Good Manufacturing Practices.

### 11.2 Submitting the Change Request

Documentation must be submitted to SWF Supplier Quality Development for approval by SWF (for form to be used - See Appendix E).

### 11.3 Document Control

The Supplier's quality system must ensure that the appropriate engineering drawings and specifications are available at the manufacturing, test, or inspection location.

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## 12.0 Government, Safety, and Environmental Regulations

All purchased materials shall satisfy current governmental and safety constraints on restricted, toxic and hazardous materials; as well as environmental, electrical, and electromagnetic considerations applicable to the country of manufacture and sale. The Supplier must follow U.S. Customs security guidelines for C-TPAT if involved in importing goods to the United States of America.

SWF specific requirements may be more restrictive than general requirements.

- Lead
- Cording and knots
- Labels and Hang Tags
- Country of Origin

## 13.0 Continuous Improvement

We all recognize that continual improvement is key to the success of any Supplier/Customer relationship. At SWF, we embrace Lean concepts in our business and require our Suppliers to demonstrate continual improvement in identifying and implementing Lean processes and process improvement/ waste reduction. Lean manufacturing is the endless pursuit of eliminating wastes. Waste is anything that adds costs, but not value, to a product. Below, we have outlined common definitions of waste. Our joint work around these identified waste opportunities will further our mutual relationship.

**Seven, plus one, wastes in manufacturing:**

- Transportation - movement of products or equipment that does not add value
- Inventory - excess raw material, WIP or finished goods
- Motion - movement of personnel that does not add value to the product
- Waiting - waiting because of the lack of material, equipment or personnel
- Over production - making more product than the customer demands
- Over processing - performing operations not required to manufacture or assemble the product
- Defects - producing parts that fail to meet specifications
- Under utilized resources - primarily people, who have a wealth of knowledge regarding how a process can be improved

### SWF Principles of Lean

- The customer defines value. Value is what the customer is willing to pay for.
- The customer establishes pull for production schedule. Production planning should be based on creating only what the customer wants.
- Empower the people adding value. The power of this principle is in unlocking the creativity and synergy of a group of employees who are focused on improving the business.
- Eliminate waste in the value stream. Delivering value to the customer is the result of eliminating non-value-added activities.
- Use total system costs to drive performance. The lowest total system cost is achievable only if safety and quality are maximized and response time is minimized.

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## Supplier Expectations- Cost Improvement

Through establishment of Lean principles and waste reductions, SWF expects that there will be significant opportunity for cost improvement shared in the supply chain. It is our expectation that you present any and all savings opportunities to your Global Purchasing Agent.

### Evidence that the Supplier is utilizing the following Lean tools:

- Policy Deployment
- Work Groups
- Visual Factory
- Error Proofing
- Standardized Work
- Quick Changeover
- Total Productive Maintenance
- Pull Systems

## 14.0 Glossary/Appendix

### 14.1 Terms

**Supplier Approval** - Pre-award process to determine capability and compatibility to support SWF long-term plans and vision.

**Supplier Quality Development** - Proactive program for development and continuous improvement.

- Joint improvement projects
- Identifying tools for continuous improvement
- Supplier training
- Supplier conferences

**Certificate of Analysis (C of A)** - A quality record received from a Supplier that indicates the results of specified tests on products performed before shipment. It may also indicate performance of the process used to make the purchased goods or products.

**C-TPAT (CUSTOMS TRADE PARTNERSHIP AGAINST TERRORISM)** -- For further information on the areas of focus please visit the C-TPAT website:

[http://www.customs.gov/xp/cgov/import/commercial\\_enforcement/ctpat/foreign\\_manuf/s\\_eurity\\_recommendations.xml](http://www.customs.gov/xp/cgov/import/commercial_enforcement/ctpat/foreign_manuf/s_eurity_recommendations.xml)

**EDI** - Electronic Data Interchange Electronic transmission of purchase orders and invoices; (not facsimile transmission) the transfer of data between different companies using networks, such as the Internet. As more and more companies get connected to the Internet, EDI is becoming increasingly important as an easy mechanism for companies to buy, sell, and trade information.

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**Error Proofing** - First a system to ensure safety in various applications. Second to ensure quality levels that the customers expect at a price they are willing to pay. Error proofing is an effective method of reducing costs through defect elimination. Error proofing a process means that a method of intervention is placed in the process to either prevent defects or identify them so they are not passed on. Prevention is preferred because it eliminates the cost of rework, storage and transportation. A prevention error proofing device prohibits the production of defective parts.

**First Article Inspection/ Layout Review** -- All dimensions for a part are checked and verified prior to full production and receipt of part into the SWF facility. All dimensions, (except reference dimensions), characteristics, and specifications, as noted on the layout/design record and process control plan, are to be listed with the actual dimension results recorded. Blanket statements of conformance are not acceptable. See appendix X for the appropriate form.

**Formal Design Review** - The purpose of a Design Review is to gather key stakeholders for a meeting, present material for review, and call for action on a recommendation. The materials presented in a Design Review and Process includes:

- Review Product or Component Requirements
- Present and review materials and data (outcomes) providing written documentation as appropriate.
- Compare the outcomes to established requirements. Identify gaps between of what was required and what was attained. Document the issues or concerns and discuss potential alternatives. Estimate level of risk due to consequences of making changes.
- Decide if the recommendation under review is acceptable or not (Pass/Fail):
- Pass: When stakeholders agree:
  - Must demonstrate that you have successfully met design criteria (requirements)
  - Each stakeholder acknowledges his or her acceptance by signing the document.
  - Complete documentation and attach to Design Review (Action Items and Minutes).
- Fail: When stakeholders do not agree:
  - Identify gaps and develop alternative solutions
  - Develop action plan and document (Action Items and Minutes)
    - Follow up to assure changes meet requirements and complete another design review.

**LEP (Leading Edge Procurement)** -- Planning techniques used to control assets (inventory) such that processes optimize availability of material inventories at the manufacturing site to only what, when & how much is necessary. LEP processes include **consignment, dock-to-shop and demand/pull**. The Supplier may apply 'Justin-Time' (JIT) manufacturing where product is "pulled" along to finish rather than conventional mass production "push" system. Application of tools such as kanban (Japanese: signal) signals a cycle of replenishment for production and materials and maintains an orderly and efficient flow of materials throughout the entire manufacturing process.

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**Policy Deployment** - a process for ensuring that an entire organization is aligned to accomplish lean objectives. The ultimate objective of policy deployment is continuous improvement. The critical elements of policy deployment are:

- 1) Select the right processes to improve
- 2) Determine actions to accomplish improvement and create a plan to implement
- 3) Insure that improvements are sustained.

**Production Part Approval Process** -- When required by the business unit or facility, Supplier may be asked to obtain part or component part approval via PPAP submission. The purpose of part approval is to determine if the Suppliers understand all SWF requirements and if Supplier processes demonstrate the capability to consistently produce parts that satisfy the requirements. For further information, see AIAG and Group/Business Unit requirements.

**Pull Systems** - focus on producing the appropriate units in the required quantities at the necessary time and delivering them to the correct location. Results within the supply chain include a decrease in inventory and it's corresponding exposure to obsolescence and quality issues, increased cash flow, and the creation of available floor space for new business.

**Quality @ Source** - Quality at the Source means building quality into everything we do at every stage.

- This means that every associate is responsible for quality, knows what quality means, why it matters and how to achieve it.
- It means engaging our associates in 2-way communication, doing things right the first time, and continuously improving our processes.

**Quick Changeover** - primary benefit is that it shortens changeover and setup times by using continuous improvement to attach and eliminate waste associated with current methods. Improved changeover provides an organization: 1) increased equipment availability, 2) better response to customer demand or schedule changes, and/or 3) ability to reduce lots or batch sizes.

**Standardized Work** - exists when a process is documented and the documented work instructions are followed by all. Standardized work instructions should be used anywhere there is a definable and repeatable process. Well designed processes reduce waste by identifying and eliminating unnecessary motion and effort. In production operations, standardized work helps maintain consistent quality, provides safe, efficient operations and ensures the proper use of equipment.

**Total Productive Maintenance** - is required to establish stability in the manufacturing process. It is a series of methods to ensure that every machine in a production process is always able to perform its required tasks so that production is never interrupted.

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**Visual Factory** - a system of aids used to organize and control the workplace environment, ensure consistent quality, and provide support for productivity standards. Visual language enables operators and managers to quickly distinguish between the desired situation and abnormalities in the manufacturing process.

**Work Groups** - People are the key to action in any manufacturing system. Their work consists primarily of solving problems associated with their jobs. Their ideas are used to continuously improve the way work is performed. The work group exists to improve the amount of value-added work by identifying and eliminating waste.

**AIAG:** Automotive Industry Action Group <http://www.aiag.org/>

**ISPM15:** International standards calling for wood packaging material to be either heat treated or fumigated with methyl bromide and marked with an approved international mark certifying treatment

<https://www.ippc.int/servlet/CDSServlet?status=N D0xMzM5OSY2PWWuJjMzPSomMzc 9a29z>

**Regulations for the importation of wood packaging materials to the U.S.** -- The regulations now incorporate international standards calling for wood packaging material to be either heat treated or fumigated with methyl bromide and marked with an approved international mark certifying treatment. For more information please see web site at <http://www.aphis.usda.gov/ppq/swp/import.html>

## 14.2 Appendix

- A) Terms and Conditions
- B) Receiving Guide lines
- C) Internet Transportation and Routing Guidelines
- D) Product Approval / PPAP
- E) Advance Deviation or Product Change Request Form

Authored:

Approval

REV #	CHANGE	AUTHOR	DATE
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Supplier Acceptance of SWF Global Supplier Manual:

Company name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Authorized Individual(s):

Print Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Return this original to: Springs Window Fashions, LLC

7549 Graber Rd

Middleton, Wis. 53562

Attn: Supplier Quality Development/Purchasing

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