



## Supplier Quality Manual

1 Parratt Road  
Uxbridge, Ontario  
Canada  
L9P 1R1

### 1. INTRODUCTION

#### 1.1 SCOPE

The intent of this Supplier Quality Manual is to define Pine Valley Packaging's minimum expectations for quality. These expectations are to be treated as complimentary to **ISO 9001**. It is Pine Valley Packaging's responsibility to encourage all suppliers in achieving the **ISO 9001** Standard or (as a minimum) use ISO principles in your processes and procedures. The supplier's manufacturing and support locations are subject to periodic review and evaluation to this Quality Manual, where appropriate. Evaluation may also be performed by completing a Vendor Questionnaire.

#### 1.2 GENERAL QUALITY EXPECTATIONS

Pine Valley Packaging's general expectations for Quality are that suppliers will:

- Maintain a Supplier Performance Rating of 100%
- Maintain a On-Time Delivery Performance of 100%
- Implement continuous improvements and corrective actions where necessary.

#### 1.3 EVIDENCE OF CONFORMANCE

Suppliers are responsible for establishing and maintaining a Quality System that is documented as a means of demonstrating conformance to specified requirements and the effective operation of their quality system. Pine Valley Packaging reserves the right to request, review and evaluate this documented evidence at any point during the life of a contract.

## 2.0 QUALITY

### 2.1 MANAGEMENT RESPONSIBILITY

#### *Quality Policy*

Supplier's management with executive responsibility will define and document its commitment to quality and in doing so will ensure that the needs and expectations of Pine Valley Packaging are considered.

#### *Customer Satisfaction*

Suppliers are required to establish a means of determining Pine Valley Packaging's satisfaction with supplier's quality, delivery and service on an annual basis. This information should be used to target areas for improvement.

### 2.2 QUALITY SYSTEM

#### *Advanced Product Quality Planning*

When requested to participate in APQP, the supplier shall:

- Finalize any special characteristics in conjunction with Pine Valley Packaging Engineering / Quality
- Review the current supplier quality system against Pine Valley Packaging's specified requirements to determine if the system provides an adequate degree of control to provide product conformance.

#### *Production Part Approval Process*

When requested Suppliers are expected to supply Production samples to Pine Valley Packaging Quality personnel for approval. Payment for all components / tooling purchase orders / Printing / Screening samples are dependent on the supplier receiving Pine Valley Packaging's full production approval of supplier sample submission in accordance with PPAP requirements. All packages containing PPAP samples must be clearly identified as "PPAP Samples" with the part number, quantity, and Pine Valley Packaging contact. If there are any questions regarding the need for PPAP submissions, please contact Pine Valley Packaging Purchasing Manager.

### 2.3 CONTRACT REVIEW

Suppliers are expected to maintain evidence of Feasibility Studies as suppliers are expected to:

- Meet all print dimensional if required
- Meet all Engineering Specifications as identified on prints or subsequent documentation
- Meet all Statutory and Regulatory requirements applicable to the country of origin, as identified by prints and/or specifications
- Meet all additional Purchase Order requirements

## 2.4 VERIFICATION AT SUPPLIER'S PREMISES

Pine Valley Packaging will be afforded the right to periodically review the verification process of Pine Valley Packaging destined product at the supplier's premises.

## 2.5 CUSTOMER VERIFICATION AT SUPPLIER'S PREMISES

Pine Valley Packaging's Customer(s) will be afforded the right to periodically review the verification process of Pine Valley Packaging destined product at the supplier's premises.

## 2.6 LOT TRACEABILITY

Supplier's must establish and maintain a Lot Traceability system, which provides for positive identification for each lot that is received and processed. Records of the lot traceability system must be maintained and made available upon request.

## 2.7 PROCESS CONTROL

### *Government Safety and Environmental Regulations*

Suppliers must establish, maintain and ensure compliance with all applicable government safety and environmental regulations.

All suppliers will complete and submit a Conflict Minerals report to Pine Valley Packaging as required.

### *Designated Special Characteristics*

Suppliers will ensure compliance with all Pine Valley Packaging requirements for designation, documentation and control of special characteristics and to provide documented evidence when requested.

Where the results of a process cannot be measured using gages, tools, test and measuring equipment and the output cannot depend on the skill of the supplier, Pine Valley Packaging is to be consulted in establishing a criteria for workmanship. This will include the creation of approved samples that will be used to gain a common understanding of what is Acceptable and Unacceptable. All Approved samples must have a date attached and the signature of the Pine Valley Packaging Quality Manager.

## 2.8 MEASUREMENT TECHNICAL DATA

When requested and to the extent available, the supplier will provide technical data pertaining to applicable measurement devices as evidence of the validity of the measurement method and or certificate of compliance.

## 2.9 NONCONFORMING MATERIAL

Upon receipt of product that does not meet specified requirements, Pine Valley Packaging will place the suspect product on “hold” and dispatch a “*Supplier Non-Conformance Report*” to the offending supplier. The emphasis is on the supplier to contact the appropriate Quality associate for direction. Pine Valley Packaging expects a fast response policy by the supplier in cases of nonconforming product. Fast response is defined as “same day” response. Pine Valley Packaging will contain suspect product and avoid usage where possible; however, in some circumstance 100% inspection by Pine Valley Packaging personnel may not be avoidable, some costs may be passed along to the supplier.

## 2.10 CORRECTIVE / PREVENTIVE ACTION

Suppliers will be required to provide corrective action as directed by the Pine Valley Packaging Quality. The 8D or 7-Step methodology is the default template for corrective actions. If the supplier requires a corrective action template, please contact Pine Valley Packaging and one will be forwarded.

**Note 2: All corrective actions are to be forwarded to the Pine Valley Packaging Quality Management – Quality Manager or Quality Engineer**

### *Corrective Action Timing*

Upon receiving a “*Supplier Non-Conformance Report*”, suppliers will provide containment results and actions within 24 hours of receipt of issue.

Suppliers will provide initial root cause analysis (Step 4) within 5 days of receipt of issue. If root cause analysis cannot be determined before 5 days, an action plan with timing and responsibility must be forwarded as an attachment.

Suppliers will provide final corrective / preventive actions within 15 days of receipt of issue. If final corrective / preventive actions cannot be completed within the allotted 15 days, then an action plan with timing and responsibility must be forwarded as an attachment. Pine Valley Packaging will be afforded the right to periodically review and verify any requested corrective / preventive action at the supplier’s premises.

## 2.12 PACKAGING AND DELIVERY

### *Packaging*

Suppliers will ensure that all products destined for Pine Valley Packaging are packed correctly and are contained within the appropriate packaging.

### *Labelling*

Supplier is expected to comply with AIAG Shipping Labels or Pine Valley Packaging approved labels. Labels should be affixed to the shrink wrap or bin.

### *Delivery*

The supplier will establish and maintain systems that will support 100% on-time deliveries that meet Pine Valley Packaging's production and service requirements. If a supplier does not meet the required delivery date a corrective action may be issued. The supplier is expected to establish and maintain a process to evaluate adherence to established Pine Valley Packaging lead-time requirements.

### *Shipment Notification System when required*

If the supplier does not have a computerized system for on-line transmittal of advanced shipment notifications (ASN's), they must receive a written waiver from Pine Valley Packaging absolving them of this requirement. Supplier must provide alternative methods of notification prior to receipt of waiver.

### *Shipping Identification*

Supplier is expected to assign a unique lot code to each lot produced. The lot code will be included on each container identification label or tag.

## **3.0 SUPPLIER RATING SYSTEM**

### **3.1 SUPPLIER RATING**

A key element in Pine Valley Packaging's march towards achieving excellence is the goal of continual improvement. Pine Valley Packaging will provide a Supplier Rating to each supplier once per quarter.

## **4.0 Supplier Code of Conduct**

### **4.1 SUPPLIER CODE OF CONDUCT**

All Suppliers to Pine Valley Packaging, in all your business activities, please comply with each of the following criteria as well as the country and municipality laws, rules and regulations while paying regard to international norms of behavior. Moreover, we encourage you to require your next-tier suppliers as well to comply with this Code of Conduct and obtain the necessary information from them to ensure compliance with this Code of Conduct.

## 4.2 Labor – Human Rights

- Forced Labor – Will not use slave, forced prisoner, bonded, indentured, or any other form of forced or involuntary labor.
- Child Labor - Will not employ children under the minimum employment age.
- Working Hours - Will not exceed the weekly working hours as defined by local regulations.
- Wages and Benefits - Will pay workers the minimum wage as defined by the local regulations.
- Humane Treatment - Will respect the human rights of workers and there is to be no inhumane treatment such as harassment and abuse.
- Non-Discrimination / Non-Harassment – There is to be no discrimination in hiring and employment practices based on race, skin color, nationality, age, gender and sexual orientation, ethnicity, disability, pregnancy, religion, political opinion, labor union membership, marital status, or other factors that are irrelevant to business.
- Freedom of Association - Respect the rights of workers to associate freely, join or not join labor union, participate in protests and other such actions in accordance with local laws and regulations.
- Conflict Minerals - Restrictions are a tool to protect human health and the environment from unacceptable risks posed by chemicals. Restrictions may limit or ban the manufacture, placing on the market or use of a substance. A restriction applies to any substance on its own, in a mixture or in an article, including those that do not require registration. It can also apply to imports. Examples of hazardous substances include but are not limited to: Tantalum, Tin, and Gold.

## 4.3 Occupational Health and Safety

- Safe Workplace – Understand the work environment and operations, and provide appropriate technical, administrative, and preventative measure if there are potential hazards and risks, in order to ensure the safety of workers. Also provide workers with personal protective equipment and the like, if necessary.
- Accident Prevention and Emergency Preparedness – Prepare countermeasures by evaluating the risks associated with potential disasters and accidents, etc.. Also, implement facility safety inspection, install disaster prevention equipment, and perform maintenance.
- Prevention of Occupational Injury and Illness – Understand the situation of occupational injury and illness and provide preventive measure. Also, provide medical examinations of workers in accordance with local regulations.
- Management of physically demanding work – Identify and manage physically demanding work that may pose health hazards including the mental health, so as not to cause occupational injury or illness.
- Machine and Equipment Safety Measures – Implement safety evaluation of machinery and equipment so as not to cause occupational injury or illness.
- Health and Safety Facilities – Provide workers with a healthy and safe working environment, facilities, water, toilets, etc..

#### 4.4 Environmental Conservation

- Compliance with Environmental Regulations – Obtain and maintain required environmental permits, approvals and reporting requirements in accordance with local regulations.
- Resource and Energy Saving – Endeavor to conserve resources and energy in all business operations.
- Waste Management – Prevent the discharge of hazardous wastewater into the environment.
- Air Emission Management – Endeavor to reduce harmful substances, greenhouse gas emissions, and o-zone depleting substances released into the atmosphere.
- Proper Disposal of Solid Waste – Endeavor for solid waste reduction and implement proper solid waste disposal.
- Management of Chemical Substances – Identify the harmful chemicals released into the environment, endeavor for usage reduction, replacement to less harmful substances, and leakage prevention.
- Management of Hazardous Substances – Identify hazardous substances contained in the products and ensure regulatory compliance is met.
- Biodiversity Conservation – Consider the impact and minimize the adverse effects on biodiversity in all business activities that include the use of natural resources.

#### 4.5 Ethics

- Prohibition of all forms of Corruption and Bribery – Prohibit any and all forms of corrupt practices including bribery, corruption, or extortion.
- Prohibition of Anti-competitive Behavior – Manage to ensure that there are no acts that inhibit fair competition.
- Information Disclosure – Appropriately disclose information regarding management and business activities, financial situation, and performance without falsification of any form.
- Provision of Appropriate Production Information – Provide accurate product and service information to customers and consumers.
- Fraud early Detection and Prevention – Adopt measures to protect whistleblowers to ensure that workers can report act of fraud without fear and retaliation.
- Protection of Intellectual Property – Respect and take due care of the intellectual property rights.
- Protection of Personal Information – Appropriately protect all business relevant personal information of your customers, suppliers, consumers, and workers.