



Supplier Quality Manual & Supplier Guidelines

Introduction

This Supplier Quality Manual & Supplier Guidelines has been developed to provide a foundation to establish the business process necessary for the achievement of competitive performance and business results. This document places an emphasis on 'Partnership'. This document identifies the need for suppliers to focus on the achievement of pre-determined performance objectives.

We believe there must be shared responsibilities. We will treat our suppliers the way we want to be treated, fairly and honestly. We want our suppliers to survive, grow and become a partner with Franklin Fastener.

At Franklin Fastener, we believe in a customer-focused business plan. We believe our suppliers should be capable of delivering high quality products, on time, every time.

1. Management Systems of the Supplier

Suppliers are required to obtain and maintain a quality management system per ISO 9001, IATF 16949 or AS9100 at a minimum. CQI-9 (Heat Treat), CQI-11 (Plating) and CQI-12 (Coating) annual assessments are required when applicable and require annual updates to be sent to Franklin Fastener.

Suppliers are required to keep Franklin Fastener updated with certification status for ISO 9001, IATF16949 and AS9100. A zero-defect target and continuous improvement of performance is expected. Suppliers are required to notify Franklin Fastener purchasing if any of the following changes occur:

- Merger with another company
- Acquired by another company
- Affiliation with another company
- Management changes
- Undergo financial difficulties

2. Management of Sub-Suppliers

The Supplier is required to incorporate sub-suppliers in their quality system to ensure the quality of incoming material or service.

Franklin Fastener will provide feedback from the results and require an action plan with responsibilities and dates when an issue is found. The supplier is to provide feedback as implementation of action items are complete.

3. Right of Access

The Supplier is required to allow Franklin Fastener and our customers, if required, to perform audit(s) on your quality systems and measurements to assure they meet Franklin Fastener requirements. The Supplier is required to allow Franklin Fastener and our customers, if required, to access production facilities, quality laboratories, warehouses or other areas used for products sold to Franklin Fastener. This includes quality-related documents. Proprietary processes will be considered.

4. Code of Conduct

Franklin Fastener is committed to the highest standards of ethical conduct and social and environmental responsibility. We expect our Suppliers to aspire to these same standards in their business operations and, to have their own policies and processes in place addressing the matters detailed herein. Accordingly, Franklin Fastener has created this “Supplier Code of Conduct,” which sets out the standards expected of any Supplier doing business with Franklin Fastener.

“Supplier” means any firm or individual that provides a product or service or undertakes any activity for or on behalf of Franklin Fastener, either directly or indirectly.

“Supplier Representative” means any individual who works for a Supplier, whether under a contract of employment or any other contract (written or oral) where an individual undertakes to personally do any work or services for the Supplier and includes, without limitation, Supplier’s principals, officers, directors, employees, and independent contractors.

4.1. Use Of Franklin Fastener Property

Supplier is responsible for the proper use of Franklin Fastener property, and must safeguard it against loss, damage, misuse, or theft. Franklin Fastener property is provided to Supplier for Franklin Fastener business purposes only. Personal use of Franklin Fastener equipment such as phones and computers should be kept to a minimum. Any unauthorized duplication and use of software is a violation of copyright laws of the United States. All Internet, intranet and e-mail activities using Franklin Fastener systems are to be conducted for legitimate business purposes that are directly related to the services Supplier is performing for Franklin Fastener. Suppliers may not post or discuss business information concerning Franklin Fastener with the media or on the Internet.

4.2. Data Privacy and Confidentiality

Suppliers must comply with applicable privacy and data protections laws and regulations in the respective countries of operation, as well as secure Franklin Fastener confidential data and individual personal data and prohibit its unauthorized access or use.

4.3. Ethical Standards

Franklin Fastener seeks to identify Suppliers that conduct business with ethical standards consistent with its own. Supplier should abide by the following ethical standards and guidelines:

- Obey all relevant laws
- Treat each other fairly, with dignity and respect
- Prepare all records of financial transactions carefully and accurately
- Report financial conditions and results of operations, honestly and promptly
- Deal honestly and fairly with clients, customers, suppliers, and financial partners
- Avoid actual and potential conflicts of interest
- Avoid the improper giving and receiving of gifts
- Safeguard Franklin Fastener's assets
- Protect Franklin Fastener's reputation

- Separate personal political activities from Franklin Fastener's business
- Report observed violations of legal and ethical standards

4.4. Health & Safety

Franklin Fastener expects its Suppliers to strive to implement the standards of occupational health and safety at a high level. Supplier complies with applicable occupational health and safety regulations and provides a work environment that is safe and conducive to good health, preserves the health of employees and prevents accidents, injuries, and work-related illnesses.

Franklin Fastener maintains a drug and alcohol-free work environment. No Supplier or Supplier Representative is permitted to possess, consume, sell, or be under the influence of alcohol and illegal drugs (and legal drugs that are not used in a manner consistent with dosage requirements) while in any Franklin Fastener facility. Any Supplier found to be in violation of this policy may be removed from company premises and not allowed to re-enter a Franklin Fastener facility. Firearms and any other weapons are not allowed in any Franklin Fastener facilities and may not be carried when conducting any Franklin Fastener business. Violent or abusive behavior will not be tolerated at Franklin Fastener. Any Supplier Representative engaging in such conduct may be removed from the premises and not allowed to re-enter the Franklin Fastener facility.

4.5. Prohibitions Against Discrimination and Harassment

Franklin Fastener does not tolerate unlawful discrimination or harassment in the workplace. Supplier must not engage in any unlawful discriminatory or harassing conduct on Franklin Fastener's facilities or directed at anyone in the workplace. Discrimination or harassment based on race, color, religion, national origin, citizenship, ancestry, gender (including pregnancy), gender identity, age, disability, marital status, sexual orientation, or other protected characteristic or status is strictly prohibited.

Sexual harassment is generally defined as unwelcome sexual advances, requests for sexual favors, or other visual, verbal or physical conduct of a sexual nature when: (i) submission to such conduct is made, either explicitly or implicitly, a term or a condition of employment; (ii) submission to or rejection of such conduct affects employment opportunities; or (iii) such conduct interferes with an individual's work or creates an intimidating, hostile, or offensive work environment. Examples of sexual harassment include, but are not limited to sexual gestures, leering, or displaying sexually suggestive objects or pictures; derogatory comments, epithets, slurs, teasing and jokes of a sexual nature; graphic comments about an individual's sex life or body; suggestive or obscene letters, e-mails, notes, or invitations; and unwelcome physical contact.

Franklin Fastener may, in its sole and absolute discretion, remove from the premises any Supplier who engages in offending conduct.

Supplier must promptly report any offending behavior, whether such behavior is directed to Supplier or to employees of Franklin Fastener, by notifying any member of Franklin Fastener management.

4.6. Compliance With Labor Laws; Labor Standards

Supplier shall comply with all laws applicable to its business. Supplier should support the principles of the United Nations Global Compact, the UN Universal Declaration of Human Rights as well as the 1998 International Labor Organization Declaration on Fundamental Principles and Rights at Work, in accordance with national law and practice.

CHILD LABOR. Suppliers are prohibited from using workers under the legal age of employment in any country or local jurisdiction where Supplier performs work for Franklin Fastener. If the minimum age of employment is not defined, the minimum age of employment shall be 15 years of age. In cases where minors are authorized to work, we expect our Suppliers to observe all legal requirements, particularly those pertaining to hours of work, wages, minimum education and working conditions.

FORCED LABOR. Supplier shall not employ or use any form of forced, bonded or compulsory labor, or other forms of slavery or human trafficking and will take all reasonable steps to ensure that there is no form of forced, bonded or compulsory labor, or other forms of slavery or human trafficking employed or used within its business or in its supply chains.

COMPENSATION AND WORKING HOURS. Supplier shall comply with the respective national laws and regulations regarding working hours, wages, and benefits.

DISCIPLINARY PRACTICES/COERCION. Franklin Fastener passionately believes that everyone should be treated with dignity. Suppliers shall not inflict or threaten to inflict corporal punishment or any other forms of physical, sexual, psychological, or verbal abuse or harassment on any employees.

FREEDOM OF ASSOCIATION. Supplier Representatives shall be free to join organizations of their own choice. Suppliers shall respect and recognize the right of employees to join and organize associations of their own choosing, and to bargain collectively. Employees shall not be subject to intimidation or harassment in the exercise of their right to join or to refrain from joining any organization.

4.7. Environment

Supplier shall comply with all applicable environmental laws, regulations and standards as well as implement an effective system to identify and eliminate potential hazards to the environment. Suppliers should, wherever possible, support a precautionary approach to environmental matters, undertake initiatives to promote greater environmental responsibility.

4.8. Community Involvement

Franklin Fastener seeks to collaborate with Suppliers that partner with local governments and communities to improve the educational, cultural, economic, and social well-being of the communities in which they live and serve.

4.9. Gifts; Conflicts of Interest

Franklin Fastener employees may not accept gifts, gratuities, or excessive entertainment (i.e., beyond nominal, conventional business courtesies, such as an occasional luncheon) from any individual or organization with which Franklin Fastener has business dealings and Supplier shall refrain from giving any gifts, payments or the like that would, or could be perceived to violate this policy. Suppliers should further refrain from accepting or giving any gifts, favors, payments, entertainment, loans, or the like with a purpose of obtaining any improper advantage or influence for the Supplier, Franklin Fastener or any third party with any client, prospective client or other third party or that create any appearance of impropriety. Suppliers must disclose all potential conflicts of interest, including those in which the Supplier may have been placed inadvertently due to either business or personal relationships with customers, suppliers, business associates, or competitors of Franklin Fastener, or with other Franklin Fastener employees. Employees of the Supplier may not act on behalf of Franklin Fastener in any transaction or business relationship involving themselves or members of their family, or other persons or organization with which they or their family have any significant personal connection or financial interest.

4.10. Business Integrity; Corruption

Corruption, bribery, extortion, and embezzlement, in any form, are prohibited. Suppliers shall not violate the Foreign Corrupt Practices Act, the UK Bribery Act, any international anti-corruption conventions, and applicable anti-corruption laws and regulations of the countries in which they operate, and shall not engage in corruption, bribery, extortion, or embezzlement in any form. Suppliers shall not offer or accept bribes or other means to obtain an undue or improper advantage. Suppliers must uphold fair business standards in advertising, sales, and competition.

5. Product Quality Requirements

A level 3 PPAP (or other as agreed) approval is required prior to initial shipment of product. The supplier is required to contact Franklin Fastener in the event a quality feature, delivery date or delivery quantity deficiency is known prior to delivery. The supplier is also required to communicate any product deviations detected after delivery.

The following require communication to and approval by Franklin Fastener prior to implementing:

- Changes in production methods or equipment, procedures, processes and/or materials including changes at your supplier.
- Changes in sub-suppliers
- Changes in testing
- Changes in production location including within the same facility

5.1. Initial PPAP Submission

Franklin Fastener requires a Level 3 PPAP per the latest [AIAG PPAP manual](#).

Elastomer suppliers must include material sample slabs and buttons with each PPAP submission.

5.2. On-Going Production Requirements

The following must be supplied with each shipment (as applicable):

5.2.1. Metals

Material coupon/sample: 12" long x material width/diameter per item per each heat/lot. Accessible without having to un-band material.

Original mill certifications where possible. In lieu of Original mill certification, Certificate of Analysis is acceptable. Must include the following:

- Reference to material specification ordered
- Heat/Lot number
- Country of melt/origin
- Chemical properties
- Mechanical properties

5.2.2. Elastomers

Original compounder/source certifications where possible. In lieu of Original mill certification, Certificate of Analysis is acceptable. Must include the following:

- Reference to material specification ordered
- Batch/Lot number
- Compound Number
- Durometer per material specification

5.2.3. Fasteners and other Components

Original source certifications where possible. In lieu of Original mill certification, Certificate of Analysis is acceptable. Must include the following:

- Reference to material specification ordered
- Heat/Lot number
- Country of melt/origin
- Chemical properties
- Mechanical properties

5.2.4. Processes (Plating, Painting, Heat Treat, Coating, etc....)

Process certifications must include the following:

- Reference to process specification ordered
- Batch or Lot number
- Chemical properties
- Process performance records
- Mechanical properties

5.3. Product Revalidation Requirements

Suppliers are required to submit a PPAP Level 4 annual validation for all components delivered unless Franklin Fastener has agreed in writing not to require validations. Annual validations require the following documentation:

- PSW
- 3pcs Dimensional

- Capability Study results for significant or critical dimensions
- Material Certifications with Chemical and Mechanical results
- Material certifications and statistical data are to be available on request after initial PPAP.
- Performance results as applicable
- Process performance records as applicable

6. Production/Process and Traceability

In the case of a deviation in the process of quality, the supplier is required to initiate actions and monitor effectiveness to resolve the issue.

If the supplier cannot deliver products to specification, Franklin Fastener shall be notified to obtain approval prior to shipping.

Suppliers are required to label each container clearly identifying the Franklin Fastener part number and material lot date to ensure product can be traced back to a material lot and/or production lot in the case of a defect. (See paragraph 8)

The Supplier is required to identify, maintain, and repair any equipment Franklin Fastener or our customers provide for production or testing.

7. Purchase Order Requirements

Purchase orders must be acknowledged within 24 hours. All purchase order changes or deviations must be approved in writing by Franklin Fastener.

The supplier must conform to all Franklin Fastener specifications, data sheets, drawings, and samples. Any supplier identified document or sample that is noticeably defective, unclear, incomplete, or deviating from samples is to be communicated to Franklin Fastener of the issue and be resolved prior to PPAP. Suppliers are required to have PPAP approval prior to shipping product.

The supplier is requested to communicate with Franklin Fastener any possible risks or improvement for evaluation when identified.

8. Delivery Requirements

The supplier shall provide 100% conformance to delivery requirements as specified by Franklin Fastener. Costs incurred by Franklin Fastener because of a delivery nonconformance caused by supplier shall be the responsibility of the supplier.

The supplier is required to provide agreed upon packaging and transportation to avoid shipping damage and/or contamination.

Franklin Fastener does not perform incoming inspection unless an outside operation is necessary and therefore, we rely on the supplier to provide a quality product that meets all of Franklin Fastener's requirements for each shipment.

Incoming paperwork must include the following: purchase order number, item number, item description, quality requirements (outlined in section 4), quantity, weights (gross, tare & net) and any other agreed upon requirements.

9. Complaints

If a defect is identified at Franklin Fastener or Franklin Fastener's customer, the supplier shall immediately conduct a root cause analysis using the 8D format. Franklin Fastener will provide support if required. 8D response requirements as follows:

- Initial response and containment 2 days
- Root Cause and corrective action plan 6 days
- Corrective Action implemented 14 days
- 8D closed 30 days (or TBD as required)

Franklin Fastener will return identified defects to the supplier for analysis. If Franklin Fastener or our customers are at risk of shutting down production due to defect(s), then the supplier in coordination with Franklin Fastener must work to assure timely measures are taken. This may include 1 or more of the following:

- 3rd party sorting
- Rework
- Extra Shifts or weekend work
- Expedited delivery

If the Supplier fails in re-establishing the agreed quality level within an agreed period of time, Franklin Fastener may employ a 3rd party at the cost of the supplier.

If Franklin Fastener is required to conduct additional sorting at the customer's behest, those costs will be passed on to the supplier.

10. Environmental

Suppliers are required to report any hazardous materials to Franklin Fastener and are required to input all material data directly into the IMDS (International Material Data System) web site.

IMDS Registration, Help and/or information can be found at www.mdssystem.com web site.

Franklin Fastener Company ID is 16829

Suppliers are required to comply with annual Conflict Materials reporting per Federal Requirements.

11. Contingency Planning

Suppliers shall identify and evaluate internal and external risks, to define, prepare, implement, test, review and document a contingency plan according to the risk analysis and customer impact.

Contingency plan shall be documented and reviewed annually for suitability. Contingency plan shall include provisions to validate that the manufactured product (s) continue to meet all customer requirements.

12. Record Retention

Records will be retained at the supplier as follows:

- PPAP records: 15 years past life of program
- Material certification: 3 years
- Inspection reports: 3 years

- All other part quality documents not specified: 3 years

Note 1: For products and materials going to General Motors, refer to GM specification GMW15920 outlining +50 years record retention requirements.

Note 2: Retention periods are minimum unless superseded by customer or other legal authority.

13. Supplier Ratings

Suppliers will be monitored by Franklin Fastener quality for the following actions

PPM – Goal is 0

Complaint – Goal is zero

On-Time 8D closure – Goal is 100% on time

Suppliers will be monitored by Purchasing for

On-Time delivery – Goal is 100%

Correct quantity – Goal is 100%

Premium Freight – Goal is 0

If goals from list above are not met, the following actions may be implemented-

Formal corrective action plan (8D)

Continuous improvement actions

Onsite audits described in paragraphs 2 & 3

14. Agreement

By signing this document, the supplier has reviewed the Franklin Fastener Quality Guideline and has accepted our terms and conditions. [This page must be signed and returned to Franklin Fastener when submitting a Quote.](#)

Franklin Fastener Supplier Quality Manual & Supplier Guideline Acceptance

Supplier Name

Supplier representative name

Supplier representative signature

Date

14. Record of Revision

Rev. No	Rev. Date	Summary of Changes
1.0	07/12/2019	<ul style="list-style-type: none"> Initial Release
2.0	05/22/2023	<ul style="list-style-type: none"> Added additional production and purchasing requirements. Added Code of Conduct

Approval

Approved By:	<i>Judy Van Overbeke</i>	Approval Date:	<i>05/22/2023</i>
Title:	<i>Quality Manager</i>	Effective Date:	<i>05/22/2023</i>