FOREWORD

Starting in 1873 as an iron and steel foundry, Kohler has evolved through unparalleled product design and innovation to offer a diverse portfolio of respected brand names with operations on six continents. Today, the Kohler family of businesses creates products that set the standard in kitchen and bath, engines and generators, furniture and accessories, cabinetry and tile, as well as resort, recreation and real estate.

Kohler Mission Statement
The corporation and each associate have the mission of contributing to a higher level of gracious living for those who are touched by our products and services. Gracious living is marked by qualities of charm, good taste and generosity of spirit. It is further characterized by self-fulfillment and the enhancement of nature. We reflect this mission in our work, in our team approach to meeting objectives and in each of the products and services we provide our customers.

Suppliers are considered as an integral part of the business. The capabilities of our suppliers support the fulfillment of the Kohler mission and the achievement of company objectives. Relationships with our suppliers are built on total quality principles and practices to achieve the best performance, delivery, service and total cost.

As such, all suppliers must abide by the policies set forth in the Global Supplier Quality Manual. Kohler recognizes that our businesses are different and in many cases have unique supplier quality requirements which are market specific. Kohler Business Units and local organizations at their discretion may be more restrictive in implementation of the supplier policies and supporting procedures but in no case less restrictive.
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1.0 Introduction

1.1 Quality Policy

Kohler Quality Policy

Our policy is to design, produce, deliver and improve products of extraordinary quality, and to ensure that every aspect of the experience contributes to a higher level of gracious living for all who are touched by our products and services.

1.2 Purpose

This Global Supplier Quality Manual [SQM] establishes minimum quality requirements for all suppliers of production materials, products and services to the family of businesses owned directly or indirectly by Kohler Co. – hereafter referred to as Kohler.

The requirements within this manual are provided as a supplement to, and do not replace or alter the terms or conditions within Kohler supply and purchase documentation, engineering drawings and/or specifications. Business Units at their 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 Global Procurement or Quality contact(s). If conflicting interpretations arise, this order of precedence applies:

- Supply and Purchase Agreement and/or Purchase Order
- Specification or Drawing
- Kohler Business Unit Supplier Quality Requirements
- Global Supplier Quality Manual

1.3 Scope

Applies to all suppliers of materials, products or services to Kohler; Suppliers must ensure that their suppliers also support compliance throughout the supply chain.

1.4 Responsibilities

- The Global Procurement and Quality departments are responsible for SQM 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 Kohler 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

Kohler 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 and manufacturing productivity to meet increasing competitive pressure in our global economies;

1.5.3 If involved in importing goods to the United States of America, follow U.S. Customs security guidelines for C-TPAT. Kohler is a participant in the joint initiative between U.S. Customs and businesses to enhance homeland security via tighter controls on entering cargo.

1.5.4 Follow the laws and security guidelines of other countries as applicable

1.5.5 Conform with the ISPM15 wood packaging regulations

1.5.6 Review, sign, return and abide by the Supplier Code of Conduct

1.5.7 Provide all documentation and information in English to ensure documents are transferable and understood within all Kohler facilities. This requirement is for all requests for records and documentation submitted to Kohler as specified in this manual. This requirement can only be waived by the Business Unit and/or Location receiving the documentation.

1.5.8 Support Kohler in addressing customer failures related to the supplier’s product/service to include financial reimbursement and assisting the customer;

1.5.9 Embrace electronic communication with Kohler as an intended benefit to both parties. Kohler 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.

1.5.10 Demonstrate quality planning to foster continuous improvement, defect prevention and process optimization. Preferred Quality Planning methods for direct materials are detailed in the Automotive Industry Action Group’s (AIAG) Advanced Product Quality Planning and Control Plan (APQP) manual and Production Part Approval Process (PPAP) manual. Quality planning methods may include, but are not limited to,

• Process capability analyses with statistical process controls
• 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

1.6 Supplier Receipt and Acceptance of Quality Manual Content

Prior to being awarded business from Kohler all new suppliers must:

Read the Kohler Global Supplier Quality Manual

Print, sign, date and return the Acknowledgement from the SQM to concede reading the document and agreeing to comply with its content and requirements.

The manual may be updated periodically by Kohler. To verify revision level or obtain the latest version of this document refer to Global Supplier Quality Manual at http://www.kohler.com. 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 Kohler purchase agreements and specifications at the supplier locations and throughout the supply chain.

All suppliers must complete and submit a supplier profile and provide their quality manual for review. In addition, a site audit by Kohler representatives 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.

2.1.1 Requirements for Suppliers of Production Materials

Kohler prefers suppliers of production materials with proof of certification to ISO 9001 or ISO/TS 16949 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, date of manufacture, revision level and records of evaluation of conformance. 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 Kohler approval.

2.1.2 Requirements for Non-Production Material and Services Suppliers

Suppliers of services and non-production materials to Kohler 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 Kohler approval.

2.1.3 Change in Status

In the event a supplier’s quality registration status changes or is suspended, the supplier must notify all Business Units and locations to which product is supplied, within five (5) business days. In this case, the supplier may be audited by Kohler and/or be required to provide documentation explaining the status change including a plan for corrective action.

2.2 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.

2.3 Warranty

Suppliers must have the capability of supporting life cycle requirements of the product. Suppliers are expected to demonstrate reliability that meets or exceeds Kohler 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 Kohler and suppliers.

3.0 Supplier Approval/Qualification
Each Business Unit 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.

### 3.1 Supplier Evaluation

All suppliers must complete a supplier profile and provide their quality manual for review. The Supplier Profile is obtained through Global Procurement.

Along with a business assessment (reference check, credit analyses, etc.) and a review of the quality manual and supplier profile results, candidate suppliers may also be subjected to a self-assessment questionnaire and an onsite evaluation in accordance with Global Procurement 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.

Based on favorable evaluation of the above information, a supplier can be listed as approved for business with Kohler. Supplier approval is site specific and achieved when the supplier (site) satisfies the minimum requirements. Two types of approval may be granted:

- Approved
- Conditional -- subject to specific corrective actions on a mutually agreed timeline; Conditional approval enables Kohler to contract with a supplier that is pending a site survey and/or corrective action from 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 Approved Supplier List. (See 3.3)

If a supplier is not approved, no contract or receipt of material or services are allowed until corrective action is taken to enable the supplier to achieve Conditional status, as a minimum.

### 3.2 Supplier Site Appraisal

Kohler reserves the right to perform periodic on-site appraisals 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 surveillance.
• **New Suppliers**: May be surveyed prior to Kohler ordering production materials or services. A satisfactory capability rating or development plan is a prerequisite to the order.

• **Current Suppliers**: May be surveyed by Kohler to establish capability prior to placement of new business.

### 3.3 Approved Supplier List

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

Part qualification is defined by the individual Group and/or Business Unit and is based upon the degree of significance of parts/processes for specification.

### 4.0 Part Approval

Parts or components being sourced must be approved for production by the Business Unit. It is the supplier’s responsibility to meet all applicable specifications. Suppliers are not authorized to begin shipment of production quantity material to Kohler 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.

The Business Unit will approve parts via one of the following:

#### 4.1 First Article Inspection/ Layout Review to include:
- Dimensional Inspection/Layout
- Material verification
- Aesthetics

#### 4.2 Production Part Approval Process (PPAP) per AIAG
5.0 Corrective Action

5.1 Introduction
Suppliers to Kohler are responsible to provide defect-free products and services. When quality issues occur, the supplier is required to determine root cause and corrective action to resolve the issue and to ensure no recurrence. Suppliers will support Kohler with technical assistance and field support to rectify any substantiated non-conformance. Kohler reserves the right to recover justified expenses from suppliers for 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 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).

5.2.3 Non-conformance discovered at Kohler may be handled in any of the following ways and at the discretion of the Kohler Group/Business Unit and/or facility:

- Rejection of the entire lot and return to the supplier
- Deviation initiated by Global Procurement and approved per Kohler internal procedure KQMS-2 GQ-4-006 Deviation. Product cannot be shipped or consumed prior to deviation approval.
- Sorted, screened or reworked at Kohler facility; Supplier resource(s) and or third party may be required to support rework.

5.3 Supplier Response

5.3.1 Supplier must take immediate action upon receipt of a supplier corrective action request including direct contact with Supplier Quality as specified – unless the request states ‘information only’. Supplier must acknowledge receipt of a corrective action request within 24 business hours.

- Identify and initiate a short-term containment plan to prevent additional non-conformance at Kohler. This may include the inventory at Kohler 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.

5.3.2 Supplier must provide response to a corrective action request to Global Procurement or Supplier Quality. 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 APQP documentation;

• The lot number/effectivity date 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 Kohler.

6.0 Supplier Deviation Request (SDR)

6.1 Issues requiring a SDR

The supplier shall notify Global Procurement 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 Global Procurement, in writing, prior to any change in process or modification of tooling.

6.2 Request for Deviation

The supplier may submit a Deviation Request to Global Procurement for product not conforming to design requirements. Global Procurement will process the request in accordance with procedure KQMS-2 GQ-4-006 Deviation as not to affect form, fit, function or durability. 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. A Supplier Deviation Request form may be requested from the Business Unit.
7.0 Supplier Rating and Monitoring

7.1 Overall Performance Scorecard

Suppliers of materials are measured on an ongoing basis in five key categories. The category measurements are weighted to develop an overall score. The resulting Supplier Scorecard is communicated to the supplier periodically.

<table>
<thead>
<tr>
<th>Category</th>
<th>Weight</th>
<th>Metric</th>
<th>Possible Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality</td>
<td>30%</td>
<td>Defective PPM</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Corrective Action Count</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Corrective Action Response</td>
<td>7</td>
</tr>
<tr>
<td>Delivery</td>
<td>25%</td>
<td>On-time % - Net of Stock Outs</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Lead Time</td>
<td>10</td>
</tr>
<tr>
<td>Price</td>
<td>25%</td>
<td>Trend</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Terms</td>
<td>10</td>
</tr>
<tr>
<td>Ease of Doing Business</td>
<td>12%</td>
<td>Responsiveness</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Governance</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Technical Support</td>
<td>4</td>
</tr>
<tr>
<td>Advanced Procurement</td>
<td>8%</td>
<td>EDI (Electronic Data Interface)</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td></td>
<td>LEP (Leading Edge Procurement)</td>
<td>4</td>
</tr>
<tr>
<td>100%</td>
<td></td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

Scorecard values are tracked over time and evaluated for consistency and/or improvement. A score below 60 is less than acceptable and is cause for concern. A plan for score improvement should be developed and agreed upon between the supplier and Kohler. Otherwise, action may be required by Kohler to provide alternative sourcing.

7.2 Request for Scorecard Correction

Suppliers are eligible to appeal the scorecard rating if the rating is disputed by contacting Global Procurement. Only appeals that contain quantifiable and verifiable data regarding supplier performance in key categories will be considered. If a supplier is able to satisfactorily provide required supporting information, the supplier scorecard rating will be modified accordingly.

7.3 On-site Assessments

Current suppliers may be surveyed by Kohler to establish capability prior to placement of new business and to investigate issues. Kohler 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 for surveillance.
7.4 Classification

Suppliers are expected to provide exceptional performance and service to Kohler. As such, key suppliers are monitored in objective and subjective areas such as quality, on-time delivery, cost reduction, process/product improvement, innovation, responsiveness, business and financial strength, and value interactions. The information is organized with a structured method of supplier classification to evaluate suppliers and their relationships with Kohler. As an integral part of supplier management, classification of suppliers enables the Kohler 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 Kohler and the supplier.

Suppliers are classified as follows:

**Strategic** – These suppliers are eligible to be recommended for all new business. To achieve this highest level of classification, suppliers exhibit characteristics such as consistently high, sustained values on performance scorecard; financial soundness; shared business objectives with executive dialogue; joint pursuit of critical business opportunities and/or product development; a critical source of supply and a formal supply and purchase agreement.

**Preferred** – These suppliers are eligible to be recommended for all new business. To achieve this high level of classification, suppliers exhibit many but not all of the characteristics of a strategic supplier including consistently high, sustained values on performance scorecard; financial soundness; a critical source of supply and a formal supply and purchase agreement.

**Valued** – These suppliers are approved for use and exemplified by good price/value, adequate supply volume, short-term non-commitment agreements or spot buy purchases with sustained acceptable performance scorecard values.

**Restricted** – These suppliers exhibit unsatisfactory performance (quality, service, price or technology); or a violation of ethics or the Supplier Code of Conduct; or phase-out. No new business/orders should be assigned.

8.0 Management of Kohler Supplied Product

8.1 General Requirements

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

8.2 Tracking

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

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

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 slips 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. Wood packaging must be in compliance with ISPM15 regulations.

The supplier shall ensure that all Kohler 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 Kohler standards, unless otherwise specified. The packaging and labeling shall meet Kohler specifications or requirements. Each shipment shall be marked with the Kohler part number, manufacturing part number, quantity, lot number, Kohler site name, address, gross weight in pounds, and any other specified requirements as applicable.

Supplier shall identify items(s), and/or package(s) container(s) of shelf-life material with the manufacture date or the expiration date along with any special storage and handling conditions, in addition to the normal identification requirements. If not otherwise specified, a minimum of 75% shelf-life must be remaining upon receipt at Kohler.

10.0 Product Characteristics

Kohler specifies the use of symbols to identify product key characteristics that affect Safety, Legal, Codes and Standards regulations, consequential damage, fit, form, function, and appearance. These characteristics should be identified on drawings prior to quote and identified with unique symbols. Symbols may vary by Business Unit procedure.

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.
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 Kohler prior to implementation. All product and process changes having the potential of affecting form, fit, or function require a formal Supplier Request for Change form to be submitted to Kohler for review and approval. **Part approval resubmission may be required.** If uncertain whether a Request for Change is required, the supplier shall question the Global Procurement 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 or assembly methods
- Constituent material changes
- Constituent material sourcing changes
- Change to optional construction material or method including packaging

11.2 Submitting the Change Request

The form may be obtained at [http://www.kohler.com/corp/about/supplying.html](http://www.kohler.com/corp/about/supplying.html) and must be completed and submitted to the appropriate Global Procurement contact for approval by the Business Unit and locations.

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.

Kohler specific requirements may exceed general requirements.

13.0 Supplier Development and Recognition

Kohler strives to consistently offer quality parts and services at a good value; to lead design and technology; to drive continuous improvement and to provide consistent, quick delivery to the end user. These same guiding principles towards maintaining customer satisfaction and continuous improvement necessarily become a mutual goal of Kohler and its suppliers. Suppliers are accountable for product conformance, system and process compliance and
increased performance in a globally competitive environment.

As such, it is Kohler’s policy to support the development of its suppliers as applicable and to recognize suppliers for sustained performance and for continuing improvement.

13.1 Continuous Improvement

Suppliers are expected to demonstrate a commitment to continuous improvement in products and processes provided to Kohler. Objective evidence of “self-development” may be requested such as copies of revised procedures, updated training records, audit results, and statistical data as applicable. Quality system emphasis is placed on preventing nonconformity rather than detecting nonconformity.

Kohler encourages suppliers to implement business systems eliminating non-value added activity, mistake-proofing and cost reduction/ avoidance. Cost reduction must be an integral part of the long-term success of Kohler and its suppliers in order to remain competitive and strong in the marketplace. Suppliers are expected to develop or maintain the ability to offer cost avoidance/reductions through effectively implementing internal quality improvement programs and value analysis techniques.

13.2 Kohler Guidelines

Supplier development also entails a proactive approach to encourage and/or to assist suppliers in successful deployment of continuous improvement efforts ranging from simply providing feedback on supplier scorecards (opportunities for improvement) to launch and execution of complex joint projects.

Opportunities for development can be identified to include, but not limited to, technical issue resolution, product development, e-commerce enablement, training in quality methodology/ tools (e.g. Six Sigma), materials and logistics, financial support and contingency planning, lean manufacturing (i.e. KOS). Kohler Global Procurement and Supplier Quality coordinates requests for supporting resources and/or provides contact information on obtaining external supporting resources to the supplier.
14.0 Glossary/Appendix

14.1 Terms

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

**Supplier 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/security_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.

**First Article Inspection/ Layout Review** --
All dimensions for a part are checked and verified prior to full production and receipt of part into the Kohler 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.

**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 ‘Just-in-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.

**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 Kohler 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.
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=ND0xMzM5OSY2PWVuJjMzPSomMzc9a29z

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

Business Unit: Divisions or legal entities of the Kohler, e.g. Plumbing Americas, Kohler Engines, Kohler Rental Power, Ann Sacks, etc.

Business Group: Organization of related Business Units, e.g. Kitchen and Bath Group; Global Power Group; Interiors Group; and Hospitality and Real Estate Group

14.2 Quality Records

Supplier Corrective Action Request (SCAR)

Defective Material Report (DMR)

Supplier Defective Material Report (SDMR)

Product Key Characteristics Classification Symbols:
Product key characteristics are identified on drawings prior to quote and identified with unique symbols. Symbols may vary by group/sector/local procedure with such terms as customer/major or significant/critical.
Document #: GPI 3009
Revision Level: 1.1 Minor Revision
Date Issued/Revised: August 30, 2005/ November 14, 2008
Authored: H. Kluba – Quality Project Analyst
L. McAdam – Sr. Process Improvement Engineer
Approval L. McAdam – Sr. Process Impr. Engineer – Supplier Dev’t/QA

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<th>CHANGE</th>
<th>AUTHOR</th>
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<td>1.1</td>
<td>Enhancement of 11.0 Supplier Request for Change (SRC)</td>
<td>L. McAdam</td>
<td>11/14/08</td>
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