

**American Woodmark**

# **American Woodmark**

## **Supplier Manual**

**03/12/2024**

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**MANUAL REVISION HISTORY RECORD**

REVISION LEVEL	REVISION DATE	REVISED BY	DESCRIPTION OF REVISIONS
A	4/29/2016	Mike Johnson	Initial release of manual
B	11/17/2017	Mike Johnson	Added Code of Conduct, Supplier Portal, Toxic Substances Control Act (TSCA), Title VI, RoHS, UL, General Supplier Requirements, Training, and CI Program section. Revised On-Time Delivery
C	2/13/2024	Jenni McWilliams	<p>Updates made to the following:</p> <ul style="list-style-type: none"> <li>• 2025 Mission and Vision Statement</li> <li>• General Quality Requirements, Supplier Expectations</li> <li>• Standards and Principles</li> <li>• Code of Conduct</li> </ul> <p>Additions to the Manual:</p> <ul style="list-style-type: none"> <li>• First Article requirements/ process</li> <li>• Supplier Agreement</li> <li>• Supplier Deviations</li> </ul>

## INTRODUCTION

Suppliers to American Woodmark Corporation (AWC) play a critical role in providing quality products, complete and on time, to our customers. AWC's supplier management system emphasizes the importance of having processes to ensure flawless new product introductions, address customer issues quickly with permanent solutions, and track supplier performance. Our goal is to be a world-class leader in the cabinet industry, and a strong supplier partnership is necessary to achieve this vision. This manual delineates the requisites governing the procurement, production, handling, shipping, delivery, and quality standards of products supplied to American Woodmark. Additionally, it outlines the requirements of internal controls within a supplier's facility.

It is important to note that the contents of this manual are designed to complement, rather than replace, the terms and conditions delineated in an American Woodmark purchase order or any other manually agreed-upon contracts.

### Purpose

The Supplier Manual is designed to outline and communicate the fundamental supplier prerequisites of American Woodmark. Our goal is to ensure that all members of our supply base understand and adhere to these essential requirements, which are intended to apply universally across all suppliers. It's important to note that while this document provides important guidelines, additional obligations and responsibilities may apply according to specific contracts or agreements. The Supplier Manual is not meant to supersede these agreements but rather to complement them by reinforcing or providing clarity on the requirements outlined within.

### Scope

This manual establishes guidelines and requirements that apply to all current and potential suppliers of parts, materials, assemblies, outsourced processes, and services utilized in American Woodmark products. However, there may arise instances where a supplier is tasked with providing materials or employing processes not explicitly outlined in this manual.

Within this Supplier Manual, the terms "must" and "shall" indicate that the described action is mandatory. "Should" denotes that the described action is necessary and expected, with some flexibility permitted in the method of compliance. "May" indicates that the described action is permissible or discretionary.

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This document is relevant to suppliers serving all AWC plants and facilities. It is incumbent upon the supplier to ensure adherence to customer-specific requirements, encompassing but not limited to the expectations delineated in this Supplier Manual

Our objective is to cultivate a partnership and robust relationship with our suppliers. We maintain an open-door policy and encourage all inquiries, concerns, and solutions across all domains.

## VISION

AMERICAN WOODMARK IS A VISION-DRIVEN VALUES-BASED ORGANIZATION. AS AN AMERICAN WOODMARK SUPPLIER, IT IS IMPORTANT THAT YOU UNDERSTAND THE VISION AND FOLLOW THE SAME PRINCIPLES WHEN WORKING WITH US.

American  
Woodmark

2025 vision

## enterconnection



By uncovering and celebrating the unique potential in every individual, from our employees to our customers to our community, we will also reveal the invaluable parts we each play in our innovation and our systems thinking. While we each contribute distinct perspectives, skills and experience, it is the energy between us that will move us forward.



### Community Connections

We will work to build a **shared story** and a **strong connection** with each and every community we touch.



### Customer Experience

We must stretch ourselves toward a higher level of **excellence**, engaging and **better understanding** every customer we serve.



### Interconnected Individuals

We will create an **inclusive environment** that fosters a sense of belonging, allowing each of us to realize how **interconnected** we are through our own stories.



### Disruptive Innovation

We must challenge how we see the world around us, creating **innovative solutions** that disrupt our entire **interconnected** system.



### Systems Thinking

We must look beyond the simple, learning to see the **system at work** and understanding the complex **interconnectivity** in everything we do.

# American Woodmark

## MISSION STATEMENT

### CREATING VALUE THROUGH PEOPLE

**WHO WE ARE** – American Woodmark is an organization of employees and shareholders who have combined their resources to pursue a common goal.

**WHAT WE DO** – Our common goal is to create value by providing kitchens and baths “of pride” for the American family.

**WHY WE DO IT** – We pursue this goal to earn a profit which allows us to reward our shareholders and employees and to make a contribution to our society.

**HOW WE DO IT** – Four principles guide our actions:

**Customer Satisfaction** – Providing the best possible quality, service and value to the greatest number of people. Doing whatever is reasonable, and sometimes unreasonable, to make certain that each customer’s needs are met each and every day.

**Integrity** – Doing what is right. Caring about the dignity and rights of each individual. Acting fairly and responsibly with all parties. Being a good citizen in the communities in which we operate.

**Teamwork** – Understanding that we must all work together if we are to be successful. Realizing that each individual must contribute to the team to remain a member of the team.

**Excellence** – Striving to perform every job or action in a superior way. Being innovative, seeking new and better ways to get things done. Helping all individuals to become the best that they can be in their jobs.

**ONCE WE’VE DONE IT**– When we achieve our goal, good things happen; sales increase; profits are made; shareholders and employees are rewarded; jobs are created; our communities benefit; we have fun; and, our customers are happy and proud — with a new kitchen or bath from American Woodmark.



## PURCHASING

### Propriety Information Non-Disclosure Agreements

American Woodmark places great importance on the relationships with our suppliers, and to safeguard these relationships, we employ formal agreements. The Corporate Purchasing Team, associated with each product group, holds the responsibility of ensuring that these agreements are established and maintained.

### Supplier Agreement

The Supplier Agreement should contain cost or price, services or products provided, what happens if something goes differently than planned, and information about delivery/payments terms, warranty, deliveries, risks and ownership, claims and costs recurrence, force majeure, disputes and law, etc.

The termination dates should be clear as well for all parties.

All agreements should be in a written format to provide clarity for all parties.

The Sourcing Manager related to a product group has the responsibility to ensure that the agreement is in place.

American Woodmark is looking for long term relations that give both companies the competitive advantages and collaboration to be successful in the market we are operating in. We strive for partnerships and long-term collaboration.

## CODE OF CONDUCT

The Code of Business Conduct and Ethics sets forth and summarizes the policies of American Woodmark Corporation related to legal compliance and ethical business practices. Each Director, Officer and Employee of American Woodmark is required to comply with the law and to conduct the business of the Company ethically. Knowledge of and compliance with this Code is the responsibility of everyone. The Company expects that all individuals covered by this Code read, understand, and conduct their activities accordingly and avoid even the appearance of improper behavior. This Code does not cover every issue or potential situation that may arise but sets out basic principles to guide all Employees and Directors of the Company. All of us, regardless of our country of origin or country of residence, must conduct ourselves accordingly and seek to avoid even the appearance of improper behavior. In the rare cases where a law may conflict with this Code, you must comply with the law. If you have any questions about these

conflicts, you should contact the Chief Human Resources Officer, the Chief Financial Officer, or the President and CEO for further guidance. Any individual who violates this Code shall be subject to immediate disciplinary action, up to and including termination of employment. In certain circumstances, such failure may also result in civil or criminal liability. If an individual is faced with a situation that they believe will result in the violation of this Code, the individual should refer to and follow the guidelines described in this Code.

Reference: <https://americanwoodmark.com/investors/governance-documents>)

To aid our employees and stakeholders in identifying potential violations of our Code of Ethics, we have established a Code of Ethics Hotline. This hotline serves as a confidential avenue for reporting any suspected violations. It is accessible to all, whether internal or external, including employees and non-employees such as suppliers. Any violations of the supplier manual should be reported through the Code of Ethics Hotline, ensuring that we uphold the highest standards of integrity and ethical conduct throughout our organization.

Reference: <https://secure.ethicspoint.com/domain/media/en/gui/28496/index.html>

## **STANDARDS and PRINCIPLES**

American Woodmark is committed to fostering a culture of integrity, one that is built upon principles of treating others with dignity and respect, demonstrating care and transparency, taking responsibility, and being accountable for our actions. Upholding all applicable laws and regulations is fundamental to maintaining this culture.

We hold our business partners to the same high standards of integrity that we set for ourselves. Therefore, any failure by a supplier to adhere to this Code of Conduct is considered a serious breach of our partnership. In such cases, AWC reserves the right to terminate the Supplier agreement for cause, without incurring any liability on the part of AWC.

By maintaining these standards of integrity and accountability, we strive to build strong and mutually beneficial relationships with our suppliers, ensuring the continued success and reputation of our company.

Refer to the Supplier Code of Conduct:

American Woodmark employees may report any violations of this Policy or other concerns without fear of retaliation to:

- Your Human Resources Manager
- The Ethics Point hotline
- Telephone: 1-844-471-7681

- Website: Ethics Point

Employees of Business Partners are encouraged to work through their own company to resolve internal ethics issues. Business Partners should, however, promptly report violations of this Policy or any unethical behavior by contacting American Woodmark Ethics Point hotline.

1. Involuntary labor of any kind is prohibited. Supplier will not use any forced or involuntary labor. Involuntary labor is defined as all work or service which is exacted from any person under the threat of a penalty and for which the person has not offered himself or herself voluntarily.
2. Child labor is prohibited. "Child" means a person younger than 14. Suppliers employing young persons that do not fall within the definition of "child" will also comply with any laws and regulations applicable to such persons. In alignment with the ILO, and hazardous work, minimum age cover occupations or activities involving a risk to the health, safety or life of children set stricter standards. For example, the minimum age for admission to employment or work underground was not to be less than 16 years, while work performed in high-risk workplaces or those involving a risk of exposure to radiation or hazardous chemical substances was set at 18 years.
3. Supplier will treat each employee with dignity and respect and will not use corporal punishment, threats of violence or other forms of physical, sexual, psychological, or verbal harassment or abuse.
4. Supplier will not discriminate in hiring and employment practices, including salary, benefits, advancement, discipline, termination or retirement, on the basis of race, religion, age, nationality, social or ethnic origin, sexual orientation, gender, political opinion or disability.
5. Supplier will respect the rights of employees to associate, organize and bargain collectively in a lawful and peaceful manner, without penalty.
6. Supplier will provide employees with a safe and healthy workplace in compliance with all applicable laws and regulations, ensuring at a minimum, reasonable access to potable water and sanitary facilities, fire safety, and adequate lighting and ventilation. Suppliers will likewise ensure that the same standards of health and safety are applied in any housing that they provide for employees.
7. Supplier will, at a minimum, comply with all applicable wage and hour laws and regulations, including those relating to minimum wages, overtime, maximum hours, piece rates and other elements of compensation, and provide legally mandated benefits. Except in extraordinary business circumstances, the Supplier will not require employees to work more than the lesser of.

(a) 48 hours per week and 12 hours overtime or (b) the limits on regular and overtime hours allowed by local law or, where local law does not limit the hours of work, the regular work week in such country plus twelve (12) hours overtime. In addition, except in extraordinary business circumstances, employees will be entitled to at least one day off in every seven-day period. Supplier will compensate employees for overtime hours at such premium rate as is legally required or, if there is no legally prescribed premium rate, at the rate of pay for overtime shall be not less than one-and-one-quarter times the regular rate " Where local industry standards are higher than applicable legal requirements, Supplier should meet the higher standards.

8. Supplier will comply with all applicable laws and regulations, including those pertaining to the manufacture, pricing, sale, and distribution of merchandise and environmental laws and regulations. All references to "applicable laws and regulations" in this Code of Conduct include local and national codes, rules, and regulations as well as applicable treaties and voluntary industry standards.
9. Supplier will not use subcontractors for the provision of goods or services to the Company unless the subcontractor has entered into a written commitment with the Supplier to comply with this Code of Conduct.
10. Supplier hereby authorizes AWC to confirm compliance by Supplier with this Code of Conduct, including unannounced onsite inspections of manufacturing facilities and employer-provided housing; reviews of Supplier books and records relating to employment matters; and private interviews with employees. The supplier will maintain at its facilities all documentation that may be needed to demonstrate compliance with this Code of Conduct
11. Supplier will take appropriate steps to ensure that the provisions of this Code of Conduct are communicated to employees, including the prominent posting of a copy of this Code of Conduct, in the local language and in a place readily accessible to employees, at all times.

## CONFLICT OF INTEREST

A conflict of interest arises when a person or organization is involved in multiple interests, including financial interests, which could potentially influence their motivations or actions.

American Woodmark maintains a zero-tolerance policy towards conflicts of interest. Under no circumstance will a conflict of interest be permitted or tolerated. Should such a conflict arise involving an employee or supplier, immediate termination will ensue for both parties.

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This policy is essential to uphold the integrity of our operations and to ensure fair and unbiased conduct in all business dealings.

## GIFTS AND ENTERTAINMENT POLICY

We prefer that suppliers do not provide gifts, entertainment, or services to American Woodmark employees. If gifts are offered, the following guidelines must be followed:

- Meals may be provided if they have a business purpose and are reasonable in cost.
- Gifts should be infrequent and moderate in value.
- Non-business-related trips or entertainment should not be offered or accepted. Cash or loans are strictly prohibited.

## SUPPLIER SELECTION/ QUALIFICATION

At American Woodmark, suppliers are chosen based on criteria beyond price alone. We prioritize adherence to our Human Rights Policy and Code of Conduct, ensuring ethical and responsible business practices throughout our supply chain.

Before selecting a supplier, we undertake several measures to assess their suitability:

- **Non-Disclosure Agreement (NDA):** A non-disclosure agreement is provided and signed to protect sensitive information
- **Supplier Evaluation:** We conduct a comprehensive evaluation to gather information from potential suppliers, assessing factors such as quality, reliability, and compliance with our standards.
- **Onsite Evaluation:** In some cases, an onsite evaluation may be required to assess facilities, processes, and capabilities firsthand
- **Request for Quotation (RFQ):** A request for quotation is issued to measure the financial competitiveness of potential suppliers, considering pricing alongside other factors.
- **Production Part Approval Process (PPAP):** The Production Part Approval Process is completed to approve new or changed products, ensuring they meet our specifications and quality standards

Through these steps, we aim to select suppliers who not only offer competitive pricing but also demonstrate a commitment to ethical conduct, quality, and reliability. This approach strengthens our supply chain and upholds our values as a responsible corporate citizen.

## SUPPLIER SET UP

All selected suppliers will be entered into the ERP System to the information supplied on a properly completed Vendor Set-Up Form or Supplier Self-Registered with all required fields

completed. The following documentation is sent to accounts payable to have the supplier set up in our system for payment:

- Vendor Setup Form / or Self-Registration complete
- W9 from the supplier
- Certificate of Liability Insurance – (Lumber Suppliers only)
- American Woodmark Supplier Evaluation form
- Oracle Vendor Qualification
- Supplier Manual Agreement
- Certificate of Compliance (CoC) as applicable
- Supplier Portal

Income reporting forms (Form 1099) will be issued for all payments as required by IRS regulations.

## **PURCHASE ORDERS**

At American Woodmark, our Material Requirements Planning (MRP) system serves as the backbone of our procurement process. This system generates new Purchase Orders (POs) based on predefined usage and parameters configured within the system. The MRP system updates nightly, regenerating POs as needed. These POs are then transmitted through various channels, including Electronic Data Interchange (EDI), email, or fax.

Upon receipt of a PO, suppliers are expected to confirm within 24 hours. Any exceptions or issues encountered must be promptly communicated to the designated plant buyer for resolution

Our operations are heavily reliant on the accuracy and timeliness of deliveries. Orders placed through the MRP system are expected to be fulfilled on the specified due date. Instances of late deliveries, incomplete orders, or incorrect shipments are recorded and tracked in our monthly Purchasing Scorecards

By closely monitoring performance metrics and promptly addressing any deviations from expectations, we strive to maintain efficiency and reliability in our supply chain operations

## PAYABLES

Send Invoices to [AWCpayables@woodmark.com](mailto:AWCpayables@woodmark.com). American Woodmark makes payments utilizing Automated Clearing House network. ACH is an electronic fund transfer made between banks. American Woodmark processes thru ACH to ensure timely payment to our suppliers.

Our commitment to paying within terms allows us to take advantage of discounts offered by our suppliers for prompt payment. By adhering to this practice, we aim to maintain strong relationships with our suppliers while also optimizing our financial management processes.

## INVENTORY COMMITMENT

American Woodmark operates with a clear inventory commitment policy. When a product becomes obsolete, our customers are not held responsible for the cost of the obsolete inventory. Similarly, we extend the same understanding to our suppliers regarding obsolete inventory.

However, there are rare instances where we may need to commit to inventory for a specific project. In such cases, a written agreement must be established in advance to outline the terms and conditions governing the inventory commitment. This ensures transparency and clarity for both parties involved and helps mitigate any potential disputes or misunderstandings.

## ON-TIME DELIVERY REQUIREMENTS

AWC expects 100% on-time delivery from all its suppliers considering negotiated lead times. Suppliers must have contingency procedures in place to ensure AWC continues to receive products when disruptions in the manufacturing process occur. Types of disruptions include but are not limited to major equipment downtime, prolonged power outages, or facility fires. All suppliers who show a rating less than their scorecard target may be issued a Supplier Corrective Action Report (SCAR) and are expected to respond within a specified timeframe (see Corrective Action section of this manual).

Suppliers must have a process to measure delivery performance at the purchase order line-item level. This process must include tracking any backorders with documentation of the cause of the backorder. Delivery performance improvement actions shall be included in the Supplier Continuous Improvement (CI) Program as needed.

## COMMUNICATION

### SAFETY

#### **AWC Visitors must follow all safety protocols**

- Sign in at all locations.
- Sign a non-disclosure form. Wear a Visitors Badge.
- Be accompanied by an AWC representative.

At our Plants, visitors must:

- Watch a safety video, different at each location. Sign AWC Safety Training Sheet.
- Wear safety glasses.
- Wear hearing protection required.
- Wear other Protective Equipment as required.

At Corporate Product Development, lab visitors must:

- Wear safety glasses as required.

### PROFESSIONAL BEHAVIOR AND HARASSMENT

It is expected that all employees, contractors, and visitors:

- Treat one another with dignity and respect.
- Act in a positive manner.
- Contribute to a productive work environment.

American Woodmark will not tolerate any form of unlawful sexual or workplace harassment of our employees, applicants, customers, or vendors. The company has established this policy to ensure that all employees can work in a non-hostile environment, free of discriminatory harassment of any kind, and will take appropriate action to ensure that we meet this commitment. Per American Woodmark's Sexual Harassment Policy, these items are defined as:



**Sexual Harassment:** Sexual harassment constitutes discrimination and is illegal under federal, state, and local laws. For this policy, “sexual harassment” is defined, per the Equal Employment Opportunity Commission Guidelines, as unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when, for example: submission to such conduct is either explicitly or implicitly made a term or condition of an individual’s employment, submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual, or such conduct has the purpose or effect of unreasonably interfering with an individual’s work performance or creating an intimidating, hostile, or offensive working environment. Title VII of the Civil Rights Act of 1964 recognizes two types of sexual harassment: quid pro quo and hostile work environment. Sexual harassment may include a range of subtle and not-so-subtle behaviors and may involve individuals of the same or different gender. Depending on the circumstances, these behaviors may include the following: unwanted sexual advances or requests for sexual favors, sexual jokes, and innuendo, verbal abuse of a sexual nature, commentary about an individual’s body, sexual prowess or sexual deficiencies, leering, whistling, touching, insulting or obscene comments or gestures, display in the workplace of sexually suggestive objects or pictures, and other physical, verbal, or visual conduct of a sexual nature.

**General Harassment:** Harassment based on any other protected characteristic is also strictly prohibited. Under this policy, harassment is considered as verbal, written, or physical conduct that denigrates or shows hostility or aversion toward an individual because of their race, color, religion, sex, sexual orientation, gender identity or expression, national origin, age, disability, marital status, citizenship, genetic information, or any other characteristic protected by law, or that of their relatives, friends, or associates that may have the purpose or effect of the following: creating an intimidating, hostile, or offensive work environment, unreasonably interfering with an individual’s work performance, or otherwise adversely affecting an individual’s employment opportunities. Harassing conduct includes epithets, slurs, negative stereotyping, threatening, intimidating or hostile acts, denigrating jokes, and written or graphic material that denigrates or shows hostility or aversion toward an individual or group that is either placed on walls, elsewhere on the employer’s premises, or circulated in the workplace on company time or through using company equipment by e-mail, phone (including voice messages), text messages, social networking sites, or other means.

**Bullying:** American Woodmark defines bullying as repeated, health-harming mistreatment of one or more people by one or more perpetrators. It is abusive conduct that includes: ☐ Threatening, humiliating, or intimidating behaviors. ☐ Work interference/sabotage that prevents work from getting done. ☐ Verbal abuse. Such behavior violates American Woodmark’s Code of Ethics, which clearly states that all employees will be treated with dignity and respect. American Woodmark considers the following types of behavior examples of bullying: ☐ Verbal bullying: Slandering, ridiculing, or maligning a person or his or her family, persistent name-calling that is hurtful, insulting, or humiliating, using a person as the butt of jokes, or abusive and offensive remarks. ☐ Physical bullying: Pushing, shoving, kicking, poking, tripping, assaulting, threatening or physical assault, or damage to a person’s work area or property. ☐ Gesture bullying: Nonverbal gestures that can convey threatening messages. ☐ Exclusion: Socially or physically excluding or disregarding a person in work-related activities. In addition, American Woodmark recognizes the list above is not all-inclusive of bullying activities. Individuals who feel they have experienced bullying should report this to their supervisor or to Human Resources before the conduct becomes severe or pervasive. All employees are strongly encouraged to report any bullying conduct they experience or witness as soon as possible to allow American Woodmark to take appropriate action.

## MEETING MANAGEMENT

Meetings with American Woodmark must be structured to ensure they are productive and efficient. AWC Meeting Management establishes a clear format to communicate and capture the necessary action steps to move the project, team, or goals forward.

### Standard Format:

- Icebreaker
- Review agenda
- Set expectations.
- Content
- Review Expectations

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- Feedback
- Set up the next meeting.

## COMPLIANCE

### LACEY ACT

The Lacey Act is U.S. government enacted legislation aimed at ensuring that timber and other plant resources imported into the United States are legally sourced.

American Woodmark policies are to only source legally traded products. As such, we expect the same commitment from our suppliers to ensure that our business fully complies with the provisions of the Lacey Act Amendment regarding plants and plant products. These provisions require compliance with all applicable national and international laws or regulations that protect, or that regulate the theft of plants; the taking of plants from a park, forest reserve, or other officially protected area; and the taking of plants without, or contrary to, required authorization. They also require that plants and plant products have not been obtained without the payment of appropriate royalties, taxes, or stumpage fees, as required by applicable national laws or regulations

This is our policy, and we encourage you to familiarize yourself with the specific Lacey Act provisions. Your attention and cooperation with this regulation is required for doing business with American Woodmark.

### CARB

In 1992, The California Air Resource Board (CARB) identified formaldehyde as a Toxic Air Contaminant (TAC). After identifying formaldehyde in 1992, the Board proposed a series of increasingly stringent exhaust emission standards for motor vehicles to limit hydrocarbon emissions, which include formaldehyde. The latest Airborne Toxic Control Measure (ATCM) passed March 2008, is the first specifically to reduce formaldehyde emissions from an area source and targets Composite Wood Products. "Composite Wood Products" means hardwood plywood, particleboard and medium density fiberboard.

American Woodmark Corporation will only purchase CARB TAC for Formaldehyde CARB compliant material across all our platforms. As such all material supplied to AWC must be compliant.

## TOXIC SUBSTANCES CONTROL ACT (TSCA) TITLE VI

The U.S. Environmental Protection Agency (EPA) issued a Final Rule to implement the Formaldehyde Standards for Composite Wood Products Act, which added Title VI to the Toxic Substances Control Act (TSCA). TSCA Title VI establishes mandatory formaldehyde emission standards identical to those established by the California Air Resources Board (CARB) and applies to hardwood plywood, medium-density fiberboard, and particleboard, and finished goods containing these products, that are sold, supplied, offered for sale, or manufactured (including imported) in the United States (Covered Products). The effective date of the Final Rule is May 22, 2017, and Covered Products must meet the emission standard certification, testing, labeling, and recordkeeping requirements after December 12, 2018. For specific compliance deadlines, please refer to EPA's website: <https://www.epa.gov/formaldehyde>.

To achieve compliance with TSCA and the Final Rule, American Woodmark requires that suppliers comply as follows:

- 1. Take all measures necessary to ensure that any Covered Products and/or finished goods purchased by American Woodmark comply with all applicable laws and regulations, including TSCA Title VI and the Final Rule, and meet the formaldehyde emission standards before shipment.
- 2. Effective December 12, 2018, place a statement verifying compliance with TSCA Title VI on all invoices, bill of lading and comparable documents required by American Woodmark relating to the purchase of any products and/or finished goods containing Covered Products.
- 3. Effective December 12, 2018, place an appropriate label on Covered Products in accordance with the Final Rule.
- 4. Effective December 12, 2018, do not ship any products that are not compliant or do not have the appropriate label on Covered Products in accordance with the Final Rule.
- 5. Maintain proper recordkeeping and documentation in accordance with the Final Rule and ensure sufficient traceability of a lot or batch of products.

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Failure to comply with these requirements, TSCA Title VI, and the Final Rule may result in nonpayment and rejection of products.

Suppliers to AWC are responsible for reviewing the Final Rule and relevant information provided by the EPA to ensure your compliance with all of the requirements and obligations set forth therein.

We are continuously monitoring to stay abreast of the latest compliance requirements. While our current focus is on today's compliance needs, it's important to recognize that there may be additional requirements in the future

## CONFLICT MATERIALS

Reference: <https://americanwoodmark.com/investors/governance-documents>)

Conflict materials are produced in a conflict zone and sold to perpetuate the fighting. An example conflict zone is the eastern provinces of the Democratic Republic of the Congo where various armies, rebel groups, and outside actors have profited while contributing to violence and exploitation during wars in the region. American Woodmark requires all suppliers to fully comply with the Conflict Materials legislation.

## LEED

**Leadership in Energy and Environmental Design** is one of the most popular green building certification programs used worldwide. Developed by the non-profit U.S. Green Building Council (USGBC) it includes a set of rating systems for the design, construction, operation, and maintenance of green buildings, homes, and neighborhoods. The purpose is to help building owners and operators be environmentally responsible and use resources efficiently which American Woodmark encourages from all suppliers.

## NAFTA

The goal of the **North American Free Trade Agreement** is to eliminate barriers to trade and investment between the U.S., Canada and Mexico. The implementation of NAFTA on January 1, 1994 brought the immediate elimination of tariffs on more than one-half of Mexico's exports to the U.S. and more than one-third of U.S. exports to Mexico. Most U.S.-Canada trade was already

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duty-free. NAFTA requires American Woodmark to obtain source country information on all raw materials purchased and may also require specific labeling on certain products.

## ROHS

**Restriction of Hazardous Substance** also known as Directive 2002/95/EC, restricts the use of specific hazardous materials found in electronic products. The materials banned under RoHS are lead (Pb), mercury (Hg), cadmium (Cd), hexavalent chromium (CrVI), polybrominated biphenyls (PBB), polybrominated diphenyl ethers (PBDE), and four different phthalates (DEHP, BBP, BBP, DIBP). These materials are hazardous to the environment and are dangerous in terms of occupational exposure during manufacturing and recycling. All suppliers providing electrical components will adhere to these requirements.

## UL

UL – Underwriters Laboratories has established requirements for electrical components. Identified electrical components provided by any supplier must be evaluated by UL and meet applicable standards. It is the supplier's responsibility to maintain adherence to all applicable UL standards for electrical components provided to AWC.

## QUALITY

### GENERAL SUPPLIER REQUIREMENTS

It is the supplier's responsibility for the quality of the supplied components, parts, products, or material to ensure that it meets AWC's specifications. The supplier will guarantee that the components, parts, products, or material is free from defects including those caused by its tiered suppliers or by its process due to manufacturing, assembly, or workmanship. The supplier may be required to provide a Certificate of Conformance as evidence of its assurance in meeting AWC's specifications. The supplier will be required to reimburse AWC for the cost of all defective components, parts, products, or material found in AWC's facilities or external failures. In certain situations, the supplier is responsible for the costs incurred by AWC to remediate failures that have impacted AWC's customers.

The supplier will make its production facilities open for inspection by AWC. This includes performing an audit or assessment of the systems and processes used to manufacture and

inspect components, parts, products, and materials supplied. AWC will notify the supplier at least twelve hours prior to an on-site visit; however, AWC may provide a shorter notice if quality issues occur that require immediate attention.

## TRAINING

If specifically requested by AWC, the supplier is required to attend training identified by AWC. This training may be organized and managed by AWC or an external party. The training required will have an educational purpose (e.g., training over AWC procedures) or capability improvement purpose (e.g., Lean, Six Sigma, etc.). The supplier is responsible for the cost of attending any required training event.

## SUPPLIER MANAGEMENT SYSTEM REQUIREMENTS

Suppliers shall maintain a Quality Management System (QMS) suitable to the products and services provided to American Woodmark.

### **The Supplier shall:**

1. Determine the processes needed for the quality management system and their application throughout the organization.
2. Determine the sequence and interaction of these processes.
3. Determine criteria and methods needed to ensure that both the operation and control of these processes are effective.
4. Ensure the availability of resources and information necessary to support the operation and monitoring of these processes.
5. Monitor, measure where applicable, and analyze these processes.
6. Implement actions necessary to achieve planned results and continual improvement of these processes.

When a supplier chooses to outsource any process that affects product conformity to requirements, the supplier shall ensure control over such processes. The type and extent of control to be applied to these processes shall be defined within the quality management system.

Note: Ensuring control over outsourced processes does not absolve the organization of the responsibility of conformity to all customers', statutory and regulatory requirements.

## DOCUMENT CONTROL

All documents that affect the product or process are controlled documents. Suppliers must establish and maintain a written process for controlling these documents. The process must include document numbers, revision history, document approvals, document retrieval, and document retention. This process is to aid suppliers in meeting or exceeding AWC requirements and to prevent the use of any obsolete or unauthorized documents.

Suppliers must ensure all affected employees are trained to the latest revisions of AWC specifications. Training may be a result of operator standard work or job instructions. Suppliers must ensure that not only employees are trained to these requirements but are also capable of performing the tasks or job assignments given to them. Suppliers are also required to verify that their employees adhere to these controlled documents.

Controlled documents include but are not limited to all processing, inspection, and testing operations that encompasses all phases of the manufacturing process from receiving raw material to shipping. Operator instructions must be readily available to the operator for all processes. Receiving controls should include a system to assure that no product is used in subsequent processing until it has been verified that the product meets all requirements. Suppliers must establish documented processes on control plans to prevent defects from being shipped to AWC.

All components of products purchased by AWC must have full traceability from each of the supplier's sub-suppliers. AWC expects the supplier to be able to identify the source of raw material for tracking nonconformance issues. Traceability information must be furnished to AWC upon request.

## NON-CONFORMING MATERIAL

In the case of supplier-related concern that is outside normal operating conditions, an AWC Supplier Quality representative will contact the supplier for resolution.

- A response to the concern is expected within 24 hours.
- Containment shall take priority.
- Clean point information must be provided.
- Supplier Corrective Action Report (SCAR) completed upon request.

While we encourage interaction in several functional areas of American Woodmark and our suppliers, the American Woodmark Corporate Purchasing Manager is fully accountable for the



supplier relationship. For that reason, the Corporate Purchasing Manager should be made aware of all supplier interactions. This includes quality, supply, delivery, new product development, plant visits, etc.

American Woodmark Purchasing will provide a set of product specifications and applicable AWC Standard Operating Procedures that suppliers are required to meet. Specifications are driven by the voice of the customer. Specifications are customer expectations translated into product specifications. Updates, revisions, and waivers to these specifications will be communicated from AWC Purchasing to the suppliers' management. The purchasing specification is a ship-to-spec unless evidence is provided that the non-conformance is traced back to the vendor.

Any product that is determined to be non-compliant to AWC specification requirements or applicable regulatory requirements is non-conforming material. This material may be identified at the Supplier, at AWC, or by an AWC customer. Corrective action to address non-conforming material may include disposal of the non-conforming materials or rework/repair of the material to an acceptable specification. In some cases, AWC may provide a temporary waiver as authorization to further process or release for shipment. As a result of the non-conforming material, AWC Corporate Quality may issue a SCAR to address the non-conformance.

Materials identified as non-conforming at an AWC facility or AWC Customer location may result in a Credit Request to the supplier according to the established credit process. A production lot may be identified as non-conforming if it exceeds the acceptable defect rate established by Acceptable Quality Level (AQL) inspection. If the material fails the AQL sampling, a 100% inspection may result. This will be based on the severity of the defect and AWC Quality (corporate or site) discretion. The inspection or labor costs incurred by AWC as a result of non-conforming material will be captured and charged back to the supplier if necessary.

Suppliers must immediately implement a containment plan for defective or suspect material upon notification of a quality-related issue by AWC. Suppliers must have Failure Analysis procedures to support the analysis of returned non-conforming products. If suppliers are aware of non-conforming material that may have left its facilities, they must alert the AWC Quality Manager of the facility receiving the product and AWC Corporate Quality.

## **CORRECTIVE ACTION**

The Corrective Action process at American Woodmark involves issuing Supplier Corrective Action Requests (SCARs) by AWC Quality when process failures occur. These requests provide a

structured methodology for suppliers to follow in resolving issues, particularly those deemed high-risk or repetitive.

The SCAR process follows the Eight Disciplines (8D) methodology, and suppliers are expected to complete the SCAR form accordingly, whether it's 4D, 8D, or 3 Panel, depending on the severity of the issue. The general steps involved in completing the SCAR form include:

- D0: Make a plan
- D1: Create a team
- D2: Define the problem
- D3: Contain the problem
- D4: Analyze the root cause
- D5: Determine corrective actions
- D6: Implement corrective actions
- D7: Implement preventive actions

Objective evidence may be requested by AWC Quality to validate the supplier's corrective actions, which may include revised procedures, updated training records, internal audit results, etc. Suppliers may be audited by AWC Quality to verify the actions taken.

Verification of the effectiveness of the corrective action taken may be carried out by AWC Quality or the appropriate AWC manufacturing facility. If the corrective action is deemed ineffective, then the supplier must continue to work on identifying the root cause or alter the corrective actions taken to reduce the defects. While assessing effectiveness, proposed revisions to documentation, meetings, audits, etc. will not be considered as objective evidence.

Control Plans may be required to prevent a future process failure. Control plans, along with Process Failure Mode and Effects Analysis (PFMEAs) should be updated to reflect any changes. Control plans must be understood by the supplier's operators so appropriate actions are taken if failures occur. This plan is considered a living document and must be reviewed and updated when changes to the process occur.

If a SCAR cannot be completed prior to the requested response date, an extension may be formally requested from AWC Quality.

This comprehensive process ensures that issues are effectively addressed, corrective actions are implemented, and preventive measures are put in place to maintain quality standards throughout the supply chain.

## DEVIATION PROCESS

American Woodmark controls the parts provided by our supply chain based on approved/validated parts and processes. However, there are instances where a deviation from our engineering specifications or quality standards may be necessary.

A deviation is initiated to request a temporary change to an AWC engineering specification or quality standard. It's important to note that AWC reserves the right to refuse proposed deviations to the AWC Engineering Drawing. Approval from AWC is required before a supplier can ship deviated parts.

American Woodmark accepts two types of deviations:

- Supplier-initiated deviations
- American Woodmark initiated deviations

### **Supplier Initiated Process:**

1. Supplier shall notify AWC and request approval for deviation.
2. AWC representative will circulate for approval from key stakeholders.

### **American Woodmark Initiated Process:**

- Same process as Supplier Initiated, except AWC personnel will complete step 1.

## SUPPLIER PORTAL

As a means of facilitating two-way communication and document management, American Woodmark may employ an online Supplier Portal. This portal serves as a centralized platform where suppliers can access important information and upload required documentation.

American Woodmark may request suppliers to upload various documents, such as Production Part Approval Process (PPAP) documentation, certificates of conformance, or Acceptable Quality Level (AQL) inspection results. This ensures that all necessary documentation is readily available and easily accessible for review.

Additionally, the Supplier Portal provides valuable resources to suppliers, including this manual, standard operating procedures (SOPs), and general forms. By providing access to these resources, we aim to support suppliers in meeting our requirements and fostering efficient collaboration between our organizations.

## PRODUCTION PART APPROVAL PROCESS (PPAP)

Suppliers seeking to introduce a new part or revise an existing part for American Woodmark products must undergo the production part approval process (PPAP) for approval. Additionally, other circumstances may trigger the need for PPAP such as major sub-supplier changes, relocating product to a different production line, or significant supplier production process modifications.

The specific requirements for PPAP will be determined by AWC Corporate Quality. This ensures that all necessary steps are taken to assess and validate the quality, reliability, and consistency of parts provided by suppliers. Adhering to the PPAP process helps uphold the highest standards of quality and reliability in our products and supply chain

### PPAP Requirements outlined by American Woodmark Include:

- Part Submission Warrant (PSW) - A document that summarizes the part submission package and provides assurance that all requirements have been met
- Process Map - A visual representation of the manufacturing process for the part, illustrating each step from raw materials to finished product
- Failure Modes and Effects Analysis (FEMA) - A systematic method for identifying potential failure modes in a process or product and assessing their effects
- Control Plan - A detailed document outlining the controls and procedures in place to ensure product quality and consistency throughout the manufacturing process.
- Capability Studies - Statistical analyses conducted to assess the capability of a process to meet specified requirements, often including measures of process variability and capability indices.
- Gage R&R's (Repeatability and Reproducibility) - An assessment of the measurement system's ability to accurately and reliably measure key characteristics of the part.
- Inspection Report - Documentation of the inspection results for the part, including measurements and any deviations from specification
- Performance Testing - Testing conducted to evaluate the performance and functionality of the part under specified conditions.
- First Out Samples - Samples of the part taken from the initial production run and submitted for evaluation before full-scale production begins. These samples must

represent production parts, and all critical characteristics and functionality must pass inspection before approval is given

First-outs play a critical role in the PPAP process as they serve as an essential verification step before full-scale production. These initial production samples must accurately represent the final product and undergo thorough inspection to ensure that all critical characteristics and functionality meet specified requirements. Approval is contingent upon the successful validation of these criteria, thereby serving as a safeguard to mitigate potential issues before transitioning to normal production quantities

Performance testing is a necessary component of our quality assurance process, essential for meeting functional and regulatory requirements. Additionally, it serves as a crucial tool in research and development efforts aimed at innovation and continuous product improvement. By conducting rigorous performance testing, we can ensure that our products not only meet but exceed expectations in terms of functionality, durability, and compliance with industry standards. This commitment to testing and innovation underscores our dedication to delivering high-quality products that meet the evolving needs of our customers.

#### First Article Inspection (FAI):

A First Article Inspection is a complete, independent, and documented physical and functional inspection process to verify that prescribed production methods have produced an acceptable part as specified only by American Woodmark Drawings and specifications.

A First Article Inspection shall be performed:

- The 1<sup>st</sup> time the part is provided at production-level
- A change of manufacturing source, process, inspection method, location of manufacture, tooling, or materials, that can affect fit, form, or function.
- A natural or human occurrence that has a detrimental effect on the manufacturing process.

## **CHANGE MANAGEMENT**

Before implementing any changes, suppliers must obtain approval from American Woodmark (AWC). This approval process involves submitting a written request to the designated purchasing or quality contact at AWC, providing detailed information about the proposed change, its potential impact, and the anticipated timeline for implementation. AWC may request additional information regarding the change to ensure a thorough evaluation.

Suppliers are responsible for promptly forwarding all requested information to AWC. Depending on the nature of the change, qualification runs may be necessary before approval is granted, as outlined in the Production Part Approval Process (PPAP) section of this manual.

Changes that require approval may include, but are not limited to:

- Manufacturing location change within the company
- Manufacturing location of the raw materials
- Introducing New Vendors
- Material processing changes (Fixtures, tools, dies, etc.)
- Modification to Material Specifications
- Equipment Changes

This information will be reviewed to help verify and validate the product after the change. If any unintended negative consequences resulting from the implemented change request are identified, AWC will require the supplier to revise or revert to the pre-change design. This proactive approach ensures that product quality and consistency are maintained throughout any modifications made within the supply chain.

## ANNUAL PRODUCT / PROCESS EVALUATION

Depending on the product and manufacturing process involved, American Woodmark may conduct semi-annual or annual reviews with suppliers to evaluate both product and process capability. These reviews serve as valuable opportunities to assess the supplier's performance, ensure product quality, and identify areas for improvement. The purpose of the annual product and process evaluation is to assess the performance of our suppliers in terms of product quality, process capability, and overall partnership alignment. These evaluations serve as an opportunity to recognize achievements, address any areas of concern, and collaborate on strategies for improvement.

During these reviews, various aspects of product and process capability may be evaluated, including:

- **Product Quality:** Assessing the quality of the products supplied by the vendor, including conformance to specifications, defect rates, and customer satisfaction metrics.

- **Process Capability:** Evaluating the supplier's manufacturing processes to ensure they are capable of consistently producing products that meet AWC's requirements. This may include assessing process stability, capability indices, and adherence to quality control procedures.
- **Continuous Improvement:** Identifying opportunities for process optimization and efficiency gains, as well as addressing any issues or challenges encountered in production.
- **Supplier Performance:** Reviewing key performance indicators (KPIs) such as on-time delivery, lead times, and responsiveness to inquiries or issues.
- **Risk Management:** Assessing potential risks to product quality or supply chain continuity and developing strategies to mitigate these risks.

By conducting regular reviews with suppliers, American Woodmark can maintain a proactive approach to supplier management, foster collaboration, and communication, and drive continuous improvement throughout the supply chain. This ensures that products meet or exceed quality standards and that suppliers remain aligned with AWC's objectives and expectations.

### PROCESS CONTROL

Suppliers must establish and maintain a system of process control to produce a product that consistently meets or exceeds AWC requirements. Controls must be documented on a control plan. Error-proofing (Poke Yoke) controls should be utilized where the defects cannot be built or cannot be passed along. Where defined by AWC, supplier processes will be monitored through Statistical Process Control (SPC), and capability (Cpk) index should be  $\geq 1.33$ , (Wood species Cpk  $\geq 1.0$ ) In areas where capability is not achieved, there must be controls in place to prevent the supplier from shipping nonconforming material to AWC. This data must be available for AWC to review when requested.

Components and materials must be consumed using First In/First Out (FIFO) inventory controls.

Suppliers must have a process to ensure that tools used to determine product acceptability are precise and accurate. Supplier procedures should address measurement system analysis, gauge calibration and verification, and gauge accuracy. A reaction plan must also be part of the process to address any out-of-calibration tools or damaged tools.

A supplier's facility should be clean and organized. The supplier will maintain their premises in a state of good order appropriate to the products manufactured. Equipment and tooling used to produce AWC products must be properly maintained. Products supplied to AWC must be "ready for use" and free of dust, dirt, debris, smudges, oily residues, or any other type of contaminates.

Suppliers must follow standardized handling practices when moving products within the plant. Handling procedures must be reviewed regularly for adherence and for continuous improvement to explore better handling methods. Handling is of critical importance, especially with wood products for reduction in chips, dents, or scratches defects.

### COLOR MANAGEMENT

Suppliers approved by AWC to finish wood products must establish a process to control color. The product produced must be a pleasing match to AWC color standards as documented in AWC's Standard Operating Procedure (SOP) for color review. A formal color review process must be established at the supplier's location to manage production lot color alignment to AWC Color Standards, utilizing a color room that meets lighting specifications and other SOP requirements. Where applicable, color alignment will be driven by data through the spectrophotometer or by analyzing the spectral curve.

Suppliers are provided AWC approved and controlled Color Standards as defined in the AWC Vendor Color SOP. These Standards will be controlled and administered by AWC Corporate Quality. Suppliers must protect and store all color standards per SOP requirements.

Suppliers are provided an AWC Target and Tolerance "L\*a\*b\*" and an established measurement procedure as defined in the AWC Vendor Color SOP. Readings must be taken, and color dimensions plotted and tracked to monitor the process and to make adjustments as needed. The color standards themselves (electronic and physical) will be viewed as controlled documents and maintained through a documented process.

Formal color reviews will involve both Supplier and AWC Finishing Team personnel and will be conducted at a frequency to ensure compliance of all materials to color specifications. Color Reviews will include a set of finishing attributes as defined in the AWC Vendor Color SOP. Materials identified as out of specification will be managed in a similar manner as other non-conforming materials.

Suppliers of un-finished whitewood parts must comply with AWC provided whitewood color standards.



For any laminated or wrapped material the paper vendor is responsible for color match. However, it is highly recommended for the value adding vendor (wrapped or laminating vendor) to ensure that the color is in spec.

## TRACEABILITY

There must be some form of traceability for products purchased by AWC. The intent is to help quarantine product if there is any issue or changes. Traceability must be linked to production date.

Lot numbers are required on products that use a lot number as the primary means of traceability.

## SUPPLIER QUALITY EVALUATION

Purchased products must meet AWC requirements, and supplier performance is closely tied to how well the supplier meets this expectation. Supplied material will be evaluated to ensure that AWC is receiving the product that meets the identified specifications and applicable regulatory requirements. This evaluation may be accomplished through but not limited to:

- Inspections: Product inspections may be performed upon receipt by AWC or during a downstream process as determined by AWC Quality.
- Supplier Scrap: Non-conforming material determined to be supplier fault must be repaired, accepted using the AWC waiver process, or scrapped. Supplier Scrap will be measured as scrap dollars as a percentage of the total material purchased by AWC.
- Rework: To meet AWC customer delivery commitments, supplier defects may be repaired by AWC personnel. Data associated with this activity (repair hours, material used for the repair process, etc.) will be captured and closely monitored. A request for credit for AWC rework of supplier defects may be processed by AWC Purchasing.
- Customer Complaints: A defective product from suppliers that is shipped to AWC customers leads to a replacement order. Instances and dollar amounts of these customer replacements are measured and reviewed by the AWC Assembly facilities.

Process audits may be performed by AWC to verify those items put in place to control or monitor the process are functioning properly. Depending on the system, it may be manually audited or automated. These audits are performed to ensure proper manufacturing techniques

and compliance with critical product specifications as defined in the AWC Quality Specifications Summary. The results of these audits may be used to identify potential at-risk products, as a trigger for supplemental product inspection or auditing, and as part of an overall supplier's quality evaluation. Process audits may also be used as part of a continuous process improvement program or corrective action verification process. AWC encourages the development of a supplier-administered internal process audit system and will support the monitoring of this process.

There will be regular system assessments of key suppliers selected by AWC Quality and Purchasing. The system assessment will be performed by the supplier followed by an AWC on-site assessment after. The system assessment process will be provided to suppliers by AWC Quality. The purpose of these assessments is to determine if the supplier's processes are stable and capable of producing the desired outcome. The intent is to determine if the resources planned and implemented were suitable and adequate to achieve the quality objectives. This will be accomplished through reviewing the supplier's quality system, results of their system, and continuous improvement initiatives. System review consists of looking at the quality management system as a whole, and to look at each aspect of the system and the results from the system to gauge the overall health of the quality system. This assessment will not only look at how a supplier is conforming to their processes, but also the actions taken to drive continuous improvement of the process.

### SUPPLIER SCORECARD

A performance scorecard displaying product quality and delivery metrics will be maintained for key suppliers by AWC Purchasing. This scorecard will be updated and published periodically at the discretion of AWC Purchasing.

A Supplier Scorecard is based on data received from AWC and may include the following:

- On-time Delivery
- Supplied Quantity Accuracy (Quantity Received Match to PO)
- AWC Customer Replacements (QMS Dollars and Incidents)
- Supplier Scrap
- Supplier Credit Requests

- Rework (Labor Chargebacks)
- Cost Savings (Implemented Cost Reductions)

The focus needs to be on viewing the performance, not creating multiple charts and graphs. Thresholds and performance limits will be created for results.

## CONTINUOUS IMPROVEMENT PROGRAM

Implementing a formal Continuous Improvement (CI) program within each supplier is essential for maintaining and enhancing performance. This program should be structured to address situations where scorecard metrics fall below expected thresholds or targets. Here's how you might outline such a program:

- Establishment of CI Program:
  - Clearly define the objectives and scope of the CI program
  - Assign responsibility for overseeing and managing the program
- Regular Performance
  - Regularly monitor performance metrics and compare them against predefined thresholds or targets
  - Identify areas where performance is not meeting expectations.
- Root Cause Analysis:
  - Conduct thorough root cause analysis to understand the reasons behind poor performance.
  - Identify any systemic issues contributing to subpar metrics
- Countermeasure Development:
  - Develop and implement specific countermeasures aimed at addressing identified issues.
  - Ensure that these countermeasures are actionable and targeted at improving performance.
- Documentation and Reporting
  - Document all actions taken as part of the CI program.
  - Maintain clear records of countermeasures implemented, along with their outcomes.
- Continuous Improvement Culture
  - Encourage employees at all levels to actively participate in identifying improvement opportunities and suggesting innovative solutions.

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- Provide training and resources to support employees in driving improvements.
- Proactive Improvement Efforts
  - Encourage suppliers to proactively identify areas for improvement even when metrics are meeting the target.
- Feedback Mechanism
  - Establish a feedback mechanism to gather input from various stakeholders, including customers and internal teams.

## MATERIAL IDENTIFICATION AND LABEL REQUIREMENTS

### LABELING AND PACKAGING

AWC Purchasing will provide suppliers with applicable packaging and loading requirements. All packages provided to AWC must be properly labeled and packaged to prevent damage during transit, storage, and subsequent processing. The label must indicate the product identity, supplier name, and supplier address. The label must be legible and prominently displayed in English.

Suppliers should work proactively with AWC to reduce packaging costs. Continued efforts to reduce disposable packaging waste are expected. Before changes to packaging are implemented, proper product testing such as ISTA or simulated environmental testing must be performed.

Where applicable, the use of returnable containers is encouraged (i.e. drums, totes, “A” frames, etc.). If returnable containers are used, it is the supplier’s responsibility for the appearance, cleanliness, and safety of the containers that they own. Each container must be properly cleaned to avoid contamination and properly maintained to ensure employee safety and avoid damage to its contents.

## FINANCIAL INFORMATION

### RAW MATERIAL PRICE INDEX

Various resources are used to track and understand markets across the wide array of products purchased at AWC. These include several national publications as well as independent research to stay in touch with changes in the market. In some cases, these may be used to establish

agreements with regular review and adjustments to balance the material cost over longer periods. With any commodity that we purchase, we prefer to set prices against indices.

## CYBERSECURITY

### SECURE CONNECTIVITY

1. On all machines that may connect to the American Woodmark network or service, the Supplier will maintain current software security patching levels for the operating system and third-party applications.
2. Supplier devices that may connect to the American Woodmark network will have current anti-virus/malware software.
3. Remote access to the American Woodmark network will be through a connection that is encrypted in transit, such as VPN or HTTPS.
4. Suppliers will not be connected to other remote networks while working on American Woodmark projects/networks.

### DATA PRIVACY

1. American Woodmark data will only be used to fulfill agreed-upon services.
2. Supplier will not use, sell, rent, transfer, distribute, alter, mine, or disclose Woodmark data to any third party, or use it for my benefit, such as advertising or marketing purposes, without written consent from the company.
3. Access to Woodmark data, including anonymized data, will only be granted to authorized persons.
4. Upon termination or expiration of the agreement or any other request by Woodmark, the supplier will ensure that the company's data is securely returned or destroyed within a reasonable period, no later than 30 days.

### INCIDENT RESPONSE

1. Upon the Supplier becoming aware of a cyber incident, data breach, or circumstances that could have resulted in unauthorized access, disclosure, or use of American Woodmark data; American Woodmark will be notified promptly (not exceeding 72 hours from determination of an incident) and fully cooperate with an American Woodmark investigation relating to the response to the incident.