

The Home Depot
Direct Import Supplier
Quality Requirement

Introduction

The Home Depot (THD) Supplier Quality Requirement is designed to assist potential and existing direct import suppliers and factories in better understanding The Home Depot's quality requirements, supplier and product qualification process and quality control activities.

This document provides the potential and existing supplier with instructions on the following Items:

- **THD General Quality Requirements**
- **Quality System Assessment (QSA)**
- **Pre-Purchase Testing (PPT)**
- **Product Changes –Engineering Change Notification (ECN)**
- **Lead Content Requirement**
- **First Article Review (FAR)**
- **Pre-Shipment Inspection (PSI)**
- **During Process Inspection (DPI)**
- **Switch Rules and Quality Certification (QC)**
- **Supplier PSI Certification**
- **Post Purchase Testing (PoPT)**
- **RTV (Return to Vendor) Analysis**
- **Corrective Action and Preventive Action(CAPA)**
- **Supplier Sub-Contracting**
- **Supplier Never and Always**
- **The Home Depot Quality Contact Info**

All of these processes require the full participation and accountability of the potential and existing supplier and are necessary for THD to begin and/or continue a business relationship with a supplier. Quality is the foundation. In order to build this relationship and partnership with THD, suppliers need to make quality and all quality initiatives a priority for the safety and protection of our customers.

Please read each section thoroughly and continue to refer back to this document as needed during the qualification, on-boarding and production phases. Contact information is available in the last sections. If questions arise that are not addressed by this document, please do not hesitate to contact the appropriate individuals.

Abbreviations

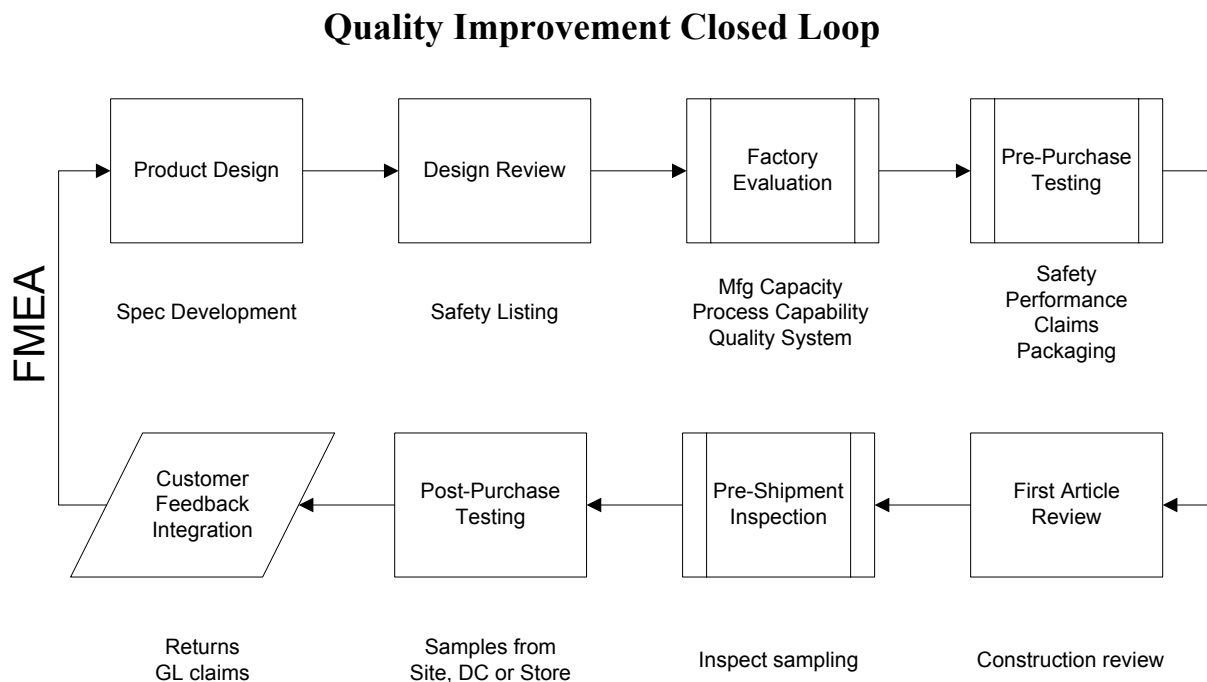
THD – The Home Depot
ATL QA – THD Atlanta Quality Assurance Group
GSO – Global Sourcing Office
SQE – Supplier Quality Engineer
SP – Third Party Service Provider
PE - Product Engineer
C-TPAT- Customs Trade Partnership Against Terrorism
QSA – Quality System Assessment
QC – Quality Certification
PSI – Pre-Shipment Inspection
DPI – During Process Inspection
PPT – Pre-Purchase Testing
FAR – First Article Review
PoPT – Post-Purchase Testing
AQL – Acceptable Quality Level
IR – Inspection Requirement
IRN – Inspection Results Notice
SWPM - Solid Wood Packaging Materials
RTV – Return To Vendor
CAPA – Corrective Action and Preventive Action
ECN – Engineering Change Notification

THD General Quality Requirements

THD is focused on the procurement of the highest quality products and developing quality relationships with the suppliers. THD will have access to all information and records obtained from any of the audits or inspections listed in this document in order to verify the quality of the product and production capabilities of the supplier, if performed by a THD employee or a 3rd party service provider.

Suppliers will be fully responsible and accountable for the quality, delivery and customer service performance of all factories associated with the shipment of product to THD. The responsibility will not be changed because of THD qualification, on-boarding, audit and product inspection by THD quality engineering or a 3rd party service provider. Suppliers have an absolute responsibility and are accountable for qualifying their own factories, auditing their own facilities, building quality into their products, and ensuring a continuous improvement program is in place to constantly improve and take out cost from the manufacture of its products.

Below is the THD quality improvement closed loop process for suppliers to follow



Except in special cases and when approved by the Quality Director of THD, all quality process cost will be charged to or the direct responsibility of the suppliers.

Quality System Assessment

It is a requirement for THD to perform a Quality System Assessment (QSA) at each factory manufacturing product for THD prior to the first PO being issued. This audit will determine if the factory has the proper systems and the capability to continuously manufacture products that meet all THD requirements and to collect information on the factory organization, physical characteristics, Supply Chain risk, and other related processes.

THD reserves the right to perform a system audit at any time to validate the quality system and production capabilities of the supplier/factory. Suppliers, however, must annually perform their own system audit, a self assessment of their own systems, and provide these results, with findings and CAPA back to THD. This self assessment must be complete and detailed, and to the THD standards at a minimum. If the supplier does not provide such a self assessment to THD on an annual basis or as required, THD reserves the right to have a third party conduct the assessment at the suppliers cost.

In all cases, the required audit (other than the self assessment) would be performed by a THD quality engineer or an approved Service Provider (SP). If the audit is performed by the SP, then the audit will be coordinated by them directly with the supplier/factory. The supplier/factory will be responsible for all costs associated with the QSA based on the agreement between the SP and THD.

The QSA will cover the factory's manufacturing operations, manufacturing processes and quality program. Each QSA will have Audit results indicating the factory's ability to meet Home Depot's expectations and requirements, covering the areas of:

- ◆ Production Capacity
- ◆ Supply Chain Security (C-TPAT)
- ◆ Solid Wood Packaging Material (SWPM)
- ◆ Paint Compliance
- ◆ Packaging Assessment
- ◆ Quality System
 - (1) Management Responsibility
 - (2) Continuous Improvement
 - (3) Quality System
 - (4) Purchasing
 - (5) Inspection & Test - Process Control
 - (6) Control of Test Equipment
 - (7) Control of Non-Conforming Products
 - (8) Corrective Action and Preventive Action (CAPA)
 - (9) Document Control
 - (10) Handling, Storage, Packaging, and Delivery

It is a requirement that personnel for the areas mentioned above are present when the audit is performed. The auditor will use a check list to guide the audit and will cover all areas identified. The audit usually takes a minimum of 8 hours depending on the size of the factory and the findings.

A copy of The Home Depot Quality System Assessment can be found on the supplier web site <https://suppliercenter.homedepot.com/wps/portal>. The suppliers should use the audit form to perform a self assessment to determine if their quality systems are in compliance to THD standards using the grading system described below.

- The results of the QSA will result in a score and the supplier will receive a grade of A – D. A is 100 – 90; B is 89.9 – 80; C is 79.9 – 70; D is below 70.
- An “A” or “B” score means the factory is compliant with the identified critical control point questions within the QSA checklist and is ready to receive POs.
- A “C” - means that the factory is marginally compliant with the system assessment and must begin corrective actions to raise their score. POs may be issued while the corrective actions are underway, but will not be issued until the corrective actions are received.
- A “D” - means the factory does not have a satisfactory system, process or methodology in place for the identified critical control points on the checklist and will not receive POs. A “D” Level factory must have a complete re-audit after the CAPA’s are completed to meet THD minimum requirements.
 1. The D-Level factory will be in a “hold” status unless approved by the THD QA Director and Merchandising before moving ahead with the CAPA and the re-audit.
 2. While the D- Level factory is approved to move ahead, until the CAPA is approved and closed, the D-Level factory will be in a “probation” stage. Prior to initiating production for THD, the factory/supplier will be required to implement During Process Inspection (DPI) utilizing a 3rd party service provider approved by THD. This will remain in effect until approval to discontinue the DPI is granted by THD based on the QSA re-audit and factory actual performance.
 3. All cost will be the responsibility of the supplier. The PSI level will be set at GIII and PSI’s performed during this state will not count toward the switching rules.

Although the result of the QSA may be acceptable (“A” ,“B” or “C” status), some findings may require improvement by the factory. A CAPA report will be issued and the factory will respond in 3 working days with an improvement plan. Follow up by the GSO SQE or the SP will be conducted. Failure to complete the CAPA within 60 days of the CAPA report will place the supplier and its factory onto “probation” where all products will be required DPI prior to shipment. This will remain in effect until approval to discontinue the DPI is granted by THD based on the factory actual performance and the CAPA completion status.

QSA Result Table as below:

QSA Items	Pass	Reject
Supply Chain Assessment	$\geq 90\%$	$< 90\%$
Production Capacity	Meet	Unsatisfactory
SWPM Requirements	Meet	Unsatisfactory
Paint Compliance	$\geq 65\%$	$< 65\%$
Packaging Assessment	$\geq 70\%$	$< 70\%$
Factory Audit	$\geq 80\%$ or $\geq 70\%$ + Meets All the CAPA Requirements	$< 70\%$ (complete CAPA and full re-audit required)
Result	All items passed Ready to Receive THD POs	Any item rejected Not ready to receive THD POs, CAPA required

Pre-Purchase Testing

THD requires Pre-Purchase Testing (PPT) of all direct import products. This testing establishes minimum requirements and needs of the product. It is the suppliers responsibility to meet all functional, performance, regulatory and safety requirements of the product. This testing is only to be performed by independent laboratories selected and assigned by THD's Quality Assurance and Product Engineering (PE) department. These labs meet specific requirements for testing capability, and use testing and reporting criteria (test protocols) approved by THD.

PPT evaluates a product from a salability, customer acceptance and customer use perspective. PPT also serves to verify compliance with the following:

- Established safety requirements
- Appropriate regulatory requirements
- Applicable Industry Standards
- Any product certifications and listings – UL, CSA, NOM, IAPMO, etc.
- Consumer usage and application
- Performance and other claims made by the supplier as referenced on packaging and elsewhere
- Any specific THD product requirements including packaging and labeling

Note: Packaging and labeling specifications will include but not be limited to:

- Regulatory markings such as safety warnings and cautions
- Certification listings such as U.L. approved
- Adherence to THD brand standards if applicable
- Structural integrity of packaging to ISTA 1A requirements.
- Consistency of artwork and labeling to THD requirements.

Supplier Responsibilities

Samples for Pre-Purchase testing must be 100% identical to those that will be produced in mass production. After the samples are approved during PPT, a formal ECN must be submitted for all changes.

- Communicating with the assigned test lab to determine what needs to be submitted, including the number of samples required, testing fees, supporting documentation and related information. The supplier/factory is responsible for payment of testing fees to the test lab prior to testing. The supplier is required to track samples completely until they are received by the service provider. Lost samples are the responsibility of the supplier, so the supplier needs to take extra care in tracking shipments of samples to service providers with professional couriers or shipment companies.
- Sending required samples of the correct product and a completed The THD PPT Submittal Form with payment for testing. Without payment confirmation, the PPT report will be on-hold by the lab.
- Reviewing the PPT Protocol developed by the test lab and sending feedback in a timely manner to the responsible person. If a supplier has no comment before the PPT begins, the PPT protocol will be treated as a default agreement.
- Providing the lab a copy of product specifications, certifications, listings, and

- any other requested information before the test is conducted.
- Providing a product for testing that has correct retail packaging along with all instructions, manuals, and labels. The final PPT report will not be issued until this is received.
 - Products intended for the U.S. market must have all Warranty information, Instructions and Caution/Warning statements in English and Neutral Spanish. Products intended for the Canadian market must have English and French Canadian wording in equal type point size. All destination country product and package labeling laws prevail for THD products.
 - All products will receive a test rating of either “Good, “ meaning the product fully meets or exceeds all requirements, or of “Unsatisfactory,” meaning the product fails to meet one or more requirements. THD will only accept a “Good” rating. If the test result is “Unsatisfactory,” the CAPA and re-test requirements will be determined.

Inspection Requirements

THD requires all import products to have written "Inspection Requirement" (IR) documentation to define critical attributes. Inspection items for the product includes, but are not limited to, supplier/factory information, product specification / photos, packing specification / photos, on site test, inspection level and Acceptable Quality Level(AQL), defect classification, etc.

IR, FAR and PoPT documents are prepared by the test lab upon completion of an approved PPT or Test Waiver. Samples, along with additional technical information, may be required from the supplier/factory in order to prepare the document. The draft IR will be sent to supplier/factory for review and comment. If the supplier/factory has any questions regarding the draft IR, they should contact the SP and ATL QA or GSO SQE to clarify immediately.

Once approved by THD ATL QA or GSO SQE, a final copy of the IR will be provided to the supplier and will be used by the SP during each PSI.

The IR, however, only establishes minimum requirements. The supplier must define all other requirements to ensure that the product is made correctly, and made to the needs of the consumer. IR's cannot define every single requirement, but only defines the most critical. Other requirements need to be defined by the supplier, and the product will be held to these requirements as well.

Q&A

Q: How long will the Pre-Purchase testing take?

A: It depends on the testing protocol for different products; generally the Pre-Purchase Testing takes 14 calendar days.

Q: How many samples should be sent to the Lab?

A: It depends on the testing requirement, please contact the Service Provider before the testing for details.

Q: Is a mockup sample accepted for Pre-Purchase Testing?

A: Mockup sample can be used in some of the performance checks according to the test protocol with the approval of The Home Depot. Otherwise, a formal sample is required during testing.

Q: Is it possible to receive the Pre-Purchase Testing report before the testing charge is paid?

A: No. Pre-Purchase Testing report will not be formally issued until the lab receives payment.

Q: If a supplier does not agree to some of the test protocol items, is it possible to change the protocol?

A: Yes. The supplier should reply to the test protocol with feedback for The Home Depot and Service Provider to review. The Home Depot will make the final decision.

Q: What should a supplier do after receipt of a “Failed” Pre-Purchase Testing report?

A: The supplier should review the “Failed” items and send The Home Depot and Service Provider a formatted CAPA (Corrective Action and Preventive Action). The Home Depot will make decision based on factory Corrective Actions.

Q: What should the supplier do if the product is modified after Pre-Purchase Testing is completed?

A: The supplier should submit an on-line ECN (Engineering Notification Change). The Home Depot will decide if additional testing is needed.

Q: Can Pre-Purchase testing be conducted in a factory lab instead of a Service Provider Lab?

A: Yes. The testing lab engineer can conduct Pre-Purchase testing at a factory lab that meets the lab facilities’ qualification.

Product Changes

(Engineering Change Notification – ECN)

The supplier/factory must inform THD of any change to the manufacturing process, major manufacturing equipment, manufacturing location, product changes (i.e. engineering change), production schedule adjustment, etc. and obtain written approval from THD ATL QA or PE prior to implementation.

If any such change is required, an ECN must be submitted by the supplier, upon the approval of the ECN form, the supplier/factory can make the proposed changes to the product. Failure to provide THD with an ECN request, will result in failure of the PSI, and may also be terminated the QC status and return back to lot by lot inspection.

The ECN form can be submitted via the following website:

https://www.formrouter.net/engineeringchange@THD/ecn_home.htm

Lead Content Requirement

To ensure that the customers receive products that meet or exceed market standards for product safety and quality, THD has implemented new standards for maximum allowable lead content. The maximum allowable lead content for children's products, indoor and outdoor furniture and paint is 90ppm (.009%) for any surface coatings and 600ppm (.06%) for substrates.

These standards will be enforced on all applicable products purchased by THD after October 1, 2008. Compliance with these standards will continue to be verified by inspections of products throughout the supply chain by third-party service providers and THD associates. Each supplier /factory should take this opportunity to evaluate its internal controls in order to ensure that its processes are able to produce products that will meet or exceed the revised requirements.

Evaluation of these process controls should not be limited to surface coatings and substrates; product design and materials should be closely monitored as well to ensure continued adherence to federal, state and local laws regulations, in addition to all THD requirements.

THD follows all Federal, State and local regulations. It is the responsibility of the supplier to ensure that their products meet or exceed all these requirements in addition to all THD specifications. It is the responsibility of the supplier to monitor all regulatory changes and to inform THD of pending changes. The supplier must also submit a THD ECN for all changes to products, even if those changes are being made in order to meet regulatory changes.

First Article Review

THD requires that a First Article Review (FAR) be conducted by the GSO SQE or SP to ensure that production product meets all specifications as documented in initial testing (PPT), critical PPT failure corrections have been implemented, PPT Waivers have been addressed or product engineering changes have been implemented correctly. The FAR is not a replacement of PSI. It is the GSO SQE and SP responsibility to determine which products need FAR according to different conditions defined by THD. Any failure during PPT will require a FAR prior to the release of production.

The FAR protocol drafted by SP will be approved by THD ATL QA or GSO SQE to conduct the FAR. FAR must be conducted on the first 10% of the production run. The production line may continue production during the FAR inspection and supplier/factory accepts full responsibility for material deemed defective as a result of a FAR failure. Factories that contain multiple products will be charged an FAR fee for each product that can be differentiated by functional characteristics or color. Products that can be grouped because of similar technology, functionality and features will only be charged one FAR fee. Product grouping will be reviewed by THD PE or SQE. FAR must be conducted independently of Switching Rule status or the Quality Certification status.

If the FAR passes, the factory will be allowed to continue production. If the FAR is unacceptable, a CAPA will be issued to the supplier/factory for immediate corrective action of the defects found. The supplier/factory is not authorized to proceed with production until the CAPA is closed by THD.

Pre-Shipment Inspections

THD requires Pre-Shipment Inspection (PSI) for all products made by direct import supplier/factory to evaluate the product quality and compliance during and after mass production. PSI will be performed by a THD approved SP. The frequency of the PSI will depend on the THD Switching Rule program. The factory/supplier will be responsible for all costs associated with the performance of the PSI.

Supplier/factory is required to submit the PSI booking to assigned SP a minimum of 3 working days prior to the necessary PSI date. Any PSI cancellation due to supplier reason is required to submit no less than 1 working day or an additional charge will be incurred and which will be paid by supplier/factory. The inspection address of the factory must be consistent with the address description on the accepted QSA report. A consignment must be 100% produced and at least 80% packed upon the inspector's arrival at the factory/warehouse. Otherwise, it will be treated as an abortive inspection and an additional charge will occurred which will be paid by supplier/factory.

The inspector will perform the PSI utilizing the IR and THD general PSI requirements. These will include (but not be limited to product quantity, labeling & shipping marks, packaging, workmanship of the product, performance test and safety test. After the completion of the PSI, the inspector will provide the factory with the inspection result via the Inspection Release Notification (IRN). It is the inspector's responsibility to review their findings with the factory while they are on site. If the supplier or factory has any concerns regarding the finding or the inspection result, they should contact the THD ATL QA or GSO SQE to clarify. THD reserves the right to make final disposition on PSI result.

If any product engineering changes in design, construction, component materials, coating, packaging etc. are found during the inspection which has not been approved by a THD ECN and is not reflected in the IR, it will be considered as an unauthorized change and an immediate PSI failure.

The supplier/factory is not allowed to ship product that has not passed a PSI (unless shipped from a Quality Certified supplier/factory). **If product is shipped without a passed IRN, the supplier will not be paid for the product and the supplier will be responsible for all costs associated with the shipping, rework, inspections, and/or return shipping of the product.** A warning letter will also be sent to the factory and the inspection level will be returned back to Lot by Lot inspection and the factory placed on Quality Alert.

THD requires re-inspection for any failed PSI. Before the re-inspection, the supplier/factory must conduct and complete a CAPA. It will be reviewed by SP and submitted and approved by THD ATL QA or GSO SQE. THD reserves the right to

waive any PSI or PSI result, based on the nature of the issue and the data presented. A formal waiver will be issued if that is the result.

During Process Inspection

The purpose of DPI is to help and push supplier/factory to improve their quality system so as to ensure the products provided to THD with consistent high quality and conformance to the specification, standards or any special requirements. The DPI may happen in the situation that the factory has very poor quality system, poor inspection history, critical customer complain or recall and the supplier/factory can not complete the CAPA in certain period that THD required. It is THD ATL QA and/or GSO SQE responsibility to make final decision to initiate the DPI. The DPI will be conducted by THD GSO inspection and auditing team or the approved SP.

The main content of the DPI includes below items:

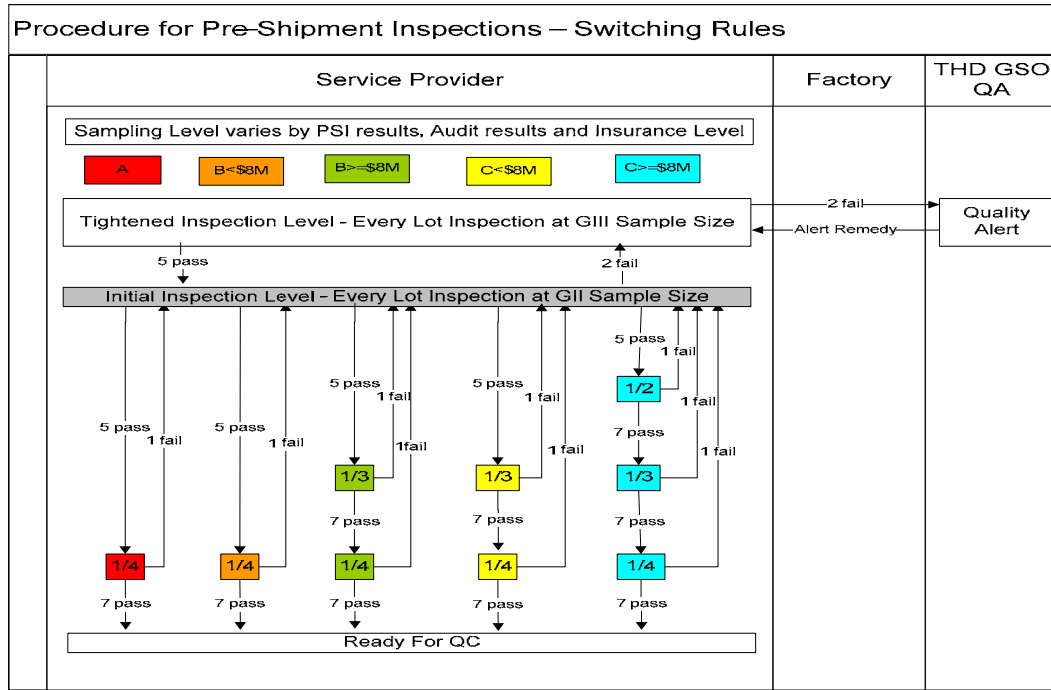
- a) Critical project requirement
- b) QSA fail but have to develop the supplier due to their product's or any other advantage
- c) supplier's poor quality performance: frequent PSI failure; Poor RTV/Recall record; Serious customer complaint etc
- d) Poor delivery or any other reasonable requirement
- e) Or any other specific reasons considering the DPI is necessary.

Usually the DPI consists of both process audit and product inspection.

Switching Rules and Quality Certification

THD PSI Switching Rules are used to determine the sampling level by Product Insurance Level, QSA result and PSI historical results.

Detailed Switching Rules Table as below



Any factory conducting business with THD is required to achieve Quality Certification (QC), which is determined by a combination of the QSA score and the Product Liability Level of the product being produced by the factory.

Once the factory completes the Switching Rule path to the step ‘Ready for QC’, the factory may request a final Quality System audit and will be granted QC status only if earning a score equal or above 95% or with all CAPA approved to meet THD minimum requirement for QC factories (if a factory already has a score equal or above 95% during the last QSA, no additional audit is required).

After being qualified, THD will send the formal announcement letter to the supplier /factory to initiate the QC status and no PSI is required.

Every factory in QC status will be audited every month for the first quarter and every quarter after that for business review on both quality system and product validation. The business review will be conducted by either GSO SQE or SP at supplier/factory cost. The failure of business review will result in an immediate PSI by SP and the failure of PSI will terminate the QC status of the factory and return it back to Lot by Lot inspection. A termination notification letter will be sent to the factory by THD ATL QA or GSO SQE.

Supplier PSI Certification

The purpose of the Supplier PSI Certification is to assess the sub-contract management, quality management and internal Quality Control team capability at a Supplier Level as compared to THD's minimum requirements. These reviews are conducted prior to THD qualifying the supplier to conduct PSI's under their own direction.

This program includes (but is not limited to):

Document Review

Ensure the supplier's document management system can meet the minimum requirement as a qualified supplier for THD. The document review provides an initial evaluation on a supplier's internal subcontractor factory approval system, subcontractor factory management, internal quality team management, training, daily work scope, communication channel, factory review criteria, and factory performance measurement compared with the Home Depot's minimum requirements.

Supplier Site Audit

Pre-qualify the capacities and capabilities of supplier's internal QC team. The supplier site audit will be conducted based on the internal THD QSA process.

Product Inspection and Testing

The supplier will be required to have a system in place to perform PSI and PPT on all products. The process must be equal to or better than the THD process. The supplier is expected to control the production of all factories and supply that information to THD for review.

Post-Certification Expediting

Establish the regular reporting line between supplier and GSO SQE. It includes supplier PSI plan/summary, CAPA log, process audit plan/summary, supplier score card, review, THD factory audits, etc.

GSO Routing Site Audit

Monitor the supplier's actual performance after it is certified. It will be conducted by GSO SQE according to the PSI and QSA SOP.

This program is an award for those suppliers with exceptional performance and those that are partners with THD. THD reserve the authority to stop this program if any product quality issue is detected in the market or if there are negative process findings from the site audits.

Post-Purchase Testing

To detect product changes which affect the safety and regulatory status or performance of a product after the approval during PPT. All products which are retailed or licensed for retail by THD are eligible for inclusion in the Post Purchasing Testing (PoPT) program. For Quality Certified suppliers or factories, PoPT testing will be commissioned by THD ATL QA. Normally all factories must have no less than one post purchase test performed on product from each product type (product type is the equivalent of the class level) every six months. The test plan will be determined by THD ATL QA or GSO SQE and documented by the SP during the PPT process.

Prior to performing a PoPT, a test protocol will be drafted by the SP testing lab, review and approved by THD ATL QA or GSO SQE. The SP will inform the supplier prior to the inspection that a random sample will be retrieved, identified and sent to the lab during the inspection. The supplier/factory should prepare enough products to cover the inspection samples in order to avoid any shipping delays due to short cargo. The PoPT samples will not be returned to the factory. PoPT has no bearing on the results of the PSI being performed.

A Passed PoPT will count as one passed PSI in the switching rules calculations. For the purposes of switching rules, a failed PoPT will be treated as a failed PSI. If the failure is a regulatory failure, these will be treated on an individual basis, depending on the nature of the failure. Each PoPT failure will be reviewed by THD individually. The remedy action (i.e. CAPA, Re-test, etc...) will be decided by THD depending on its severity per each occurrence.

The Supplier will be responsible for the cost of the PoPT testing and any shipping costs of the product to the lab for testing.

RTV (Return to Vendor) Analysis

THD evaluates the data concerning the number of products returned to the stores by consumers. This information will be provided to the suppliers/ factories as determined by THD QA. The suppliers / factories will be responsible for implementing permanent Corrective Actions and Preventive Actions to reduce the return of their products to THD stores. In the case of a specific SKU with a high return rate, THD may require the supplier/factory to have the returned product analyzed internally or by a 3rd party SP to gather additional data and insight into the nature of the returns. In addition, the factory PSI inspection level may be increased due to a high return rate. All costs for the analysis will be the responsibility of the supplier/factory.

The THD QA and GSO teams will work with the suppliers and factories to monitor the improvement and effectiveness of the corrective actions.

Corrective Action and Preventive Action

For all findings during QSA, failed PSI, failed FAR, failed point in PPT or failed point in POPT, etc., THD will require the supplier or factory to complete a formal THD Corrective Action and Preventive Action (CAPA) document which includes findings, Root Causes, Corrective Actions plan, Preventive Action plan, Responsible People and Due Date. The CAPA will be reviewed with SP and THD ATL QA or GSO SQE. THD will make the final disposition on retest / re-audit / re-inspection, rejection of the product or release with waiver.

The CAPA will be verified and will not be closed until all findings have been corrected and verified to be in place. The CAPA will also be monitored to be effective.

Supplier Sub-Contracting

All suppliers/manufacturing facilities (factories) must be approved and must complete THD's product On-Boarding Process prior to manufacturing product for THD.

Once THD approves a supplier's manufacturing facility, any significant changes to the product design, manufacturing process, raw material (Metal Grade, Paint etc.), facility operations, infrastructure, equipment and administration must be communicated in writing to THD for evaluation.

The manufacturing location (or the manufacturer) of THD products must not be changed and/or relocated from approved facilities without prior written approval of THD. If the address of the factory is changed for any reason other than a physical location change, the address correction/address change will be submitted to THD for approval via the following web site and use the Factory Change Notice (FCN) form.

<http://www.formrouter.net/engineeringchange@THD/default2.asp>

If the physical location of the factory is changed or is different, the new location will be required to go through the THD On-boarding process of factory verification.

If the factory location is discovered to have changed without approval by THD, the supplier and factory will be immediately be placed on Quality Alert and all shipments and PO's placed on HOLD. THD will evaluate the severity of the issue and determine appropriate actions to be taken, which could include the immediate termination of business.

Supplier Never and Always

- ✓ Always perfect execution in meeting THD's quality requirements
- ✓ Always inform THD of design, manufacturing process, manufacturing location, or sub-tier supplier changes in advance and gain THD acceptance prior to initiating changes
- ✓ Always be customer concentric and be quick in response to customer's requests (CAPA, Quality Accident, RTV, Recalls etc.)
- ✓ Always protect the Intellectual Properties of both parties
- ✓ Always drive continuous process improvement by collecting process capability data on CTQ's; understand process CTQ's and utilize process capability and SPC tool
- ✓ Always understand your quality performance and be proactive in communicating improvement plans
- ✓ Always qualify and control sub-tier suppliers in accordance with THD's requirements
- ✓ Always flow down THD's specification requirements and updates to sub-tier suppliers/factories
- ✓ Always allocate adequate resources for qualification and subsequent production

- ✗ Never ship non-conforming products unless approved by THD in writing
- ✗ Never presume yours changes are minor and not important to THD
- ✗ Never make promises but do nothing
- ✗ Never disclose THD's proprietary information to any 3rd party without THD's permission

The Home Depot Quality Contact Info

The Home Depot SSC QA

Paul Gray

Paul_Gray@homedepot.com

1-770-384-3377

The Home Depot Asia Sourcing Office

Hua Fan

Hua_Fan@homedepot.com

86-755-8370-9288

The Home Depot Latin America Sourcing Office

Leonel Hinojosa

Leonel_hinojosa@homedepot.com.mx

52-81-1500-4283

The Home Depot European Sourcing Office

Massi Zampella

Massimiliano_zampella@homedepot.com

39-347-552-2878