



DMR (Defective Material Report) Procedure

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NONE

1.0 PURPOSE:

The purpose of this procedure is to outline the steps of completing a DMR (Defective Material Report) in response to a quality incidence at a member companies' facility.

2.0 RESPONSIBILITIES AND AUTHORITY:

All member companies' facilities, supplier origins and the Evermore Recycling Quality Manager and Territory Manager. This procedure is mandatory for all supplier origins that incur a quality issue at a member companies' facility.

3.0 DMR PROCESS STEPS:

- a) The Receiving plant will initiate a DMR (Defective Material Report) when a quality incidence occurs. The Receiving plant will use the designated **Evermore Recycling UBC DMR form** to communicate the quality incidence. Reference the **Evermore Recycling UBC Product Quality Specification** for rejection criteria.
- b) The Receiving plant will determine the level of the quality notification. If the quality issue results in a load rejection, partial rejection, and or a re-occurring quality issue, the receiving plant will issue a **Level "A"** notification and the supplier origin must complete the DMR with root cause and permanent corrective actions. If the quality issue results in a visual concern, first time incidence, and not a load rejection, this will be a **Level "B"** notification and a DMR will be issued to the supplier ship location for "Information Only". Root Cause and permanent corrective actions are not required, but the supplier ship location needs to be aware that the receiving plant is experiencing a problem.
- c) The supplier origin will be placed on "Quality Alert" status when a level "A" DMR is issued. This supplier origin will stay on the "Quality Alert" status until the DMR is approved, and the re-qualification process is completed. Reference the **Evermore Re-Qualification Procedure** for requirements.
- d) It will be at Evermore Recyclings and our member companies' facilities discretion to determine if the supplier origin needs to complete the re-qualification requirements prior to shipping or selling additional UBC. If re-qualification is required, the supplier origin will not be able to continue shipping until the re-qualification requirements are fulfilled and the DMR is approved.
- e) The Receiving plant will complete all the detailed information pertaining to the shipment and quality incidence, including:

- a. Receiving location
 - b. Date of quality incidence
 - c. Delivery Date
 - d. Material Type
 - e. Purchase Order
 - f. SRA # or other identification #
 - g. Bill of Lading
 - h. Truck/rail I.D.
 - i. DMR Originated by
 - j. DMR Level (A or B)
 - k. Bale/Bundle Tag#(if provided)
 - l. Detailed description of the Material Defect
 - m. Quantity
 - n. Status of the load (received or rejected)
 - o. Supplier information
- f) The Receiving plant's Quality Representative will email a copy of the DMR form and supporting documentation (photos, etc.) to Evermore Recycling's Quality Manager.
- g) The Evermore Recycling's Quality Manager will log in the DMR in the Evermore Recycling Quality Alert_DMR Tracking Spreadsheet. A DMR number will be generated to track this quality incidence. The Quality Manager will verify the supplier contact information on the DMR form.
- h) The Evermore Recycling's Quality Manager will notify the responsible Evermore Recycling's Territory Manger of the supplier origins quality incidence. They will notify the supplier origin regarding the quality incidence and help work with them on root cause and permanent corrective actions. The Quality Manager will communicate next actions for the shipment (Use as is, return shipment, deduction, or adjustments if applicable) to the supplier origin and Territory manager.
- i) The supplier origin has **24 hours** to acknowledge that the DMR was received. This is required for both an "A" and "B" level notifications. This acknowledgement should be done via email or phone to Evermore Recycling's Quality Manager. The supplier origin should provide feedback regarding the recent quality incident. Their responsiveness will be tracked and will be a key indicator for their supplier origins overall quality rating.

- j) The supplier origin has **10 business days** from the receipt of the DMR to establish root cause and permanent preventative actions (required for Level A notification only). This will also be tracked as part of the supplier origins overall quality rating.
- k) The supplier origin will fax or email the completed **DMR (Defective Material Report) form** to their Evermore Recycling Territory Manager and Quality Manager. The Evermore Recycling Quality team will review the DMR and grant full approval or request additional corrective actions.
- l) The Evermore Recycling Quality Manager will notify the receiving plant and the Evermore Recycling Territory Manager regarding the status of the DMR. If the DMR is approved, the supplier origin will be approved to ship their re-qualification loads (if required) to the appropriate receiving plant. The Evermore Territory Manager will help set-up the re-qualification loads. If the re-qualification loads are approved by the receiving plant, the Evermore Recycling Quality Manager will remove the supplier from the "Quality Alert" status. At that point they will resume shipping and selling UBC.
- m) If no qualification loads are required, the supplier will be removed immediately from the "Quality Alert" status and can resume shipping and selling UBC. The Quality Manager will contact the receiving plant and other member companies' facilities of the supplier's status.
- n) If the DMR is not approved, the Evermore Recycling Territory Manager will work with the supplier ship location on a corrective action plan to improve their current process. At that time, the supplier origin will not be approved to ship or sell additional UBC loads and may possibly be disqualified for future shipments.
- o) If the supplier continues to have the same re-occurring issue, this is an indicator that their permanent corrective actions are not effective and disqualification may occur.

4.0 RECORDS:

- 4.1** Evermore Recycling UBC Product Quality Specification
- 4.2** Evermore Recycling UBC DMR Form
- 4.3** Evermore Recycling Quality Alert_DMR Tracking Spreadsheet
- 4.4** Evermore Recycling Re-Qualification Procedure

5.0 CHANGE CONTROL:

The requirements of this procedure are in effect until it is revised and the revision has been approved or until the procedure has been revoked by the positions represented by the individual(s) shown on the cover page.