



SUPPLIER REQUIREMENTS MANUAL



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Supplier Requirements Manual

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1.0 Introduction

1.1 Purpose

The purpose of this manual is to define the requirements and expectations of the partnership between Stone Plastics and our suppliers. This manual outlines and explains the required quality standards for purchased commodities and services from suppliers.

1.2 Scope

This manual is available to all existing and potential suppliers of purchased goods and services to Stone Plastics. It outlines the process for becoming a supplier to Stone Plastics and explains the expectations and requirements regarding delivered products and services.

1.3 Quality Policy

We commit to continually improve our ability to provide superior Quality, Delivery and Price to our customers through innovative processes and standards.

1.4 Environmental Policy

All material delivered to Stone shall satisfy current governmental and safety constraints on restricted, toxic, and hazardous materials. Environmental, electrical and electromagnetic considerations applicable to the country of manufacture and sale are also required of the supplier.

2.0 Supplier Approval Process

2.1 Suppliers to Automotive Programs

Suppliers to automotive programs shall be third party registered to the latest version of ISO 9001 by an accredited third party certification body as a minimum. It is the responsibility of the supplier to provide current registration documents to Sales@stoneplasticsmfg.com. Suppliers shall communicate any changes in registration status within five (5) working days.

2.2 Suppliers to Non-Automotive Programs

Suppliers to non-automotive programs are preferred to be third party registered to the latest version of ISO 9001 by an accredited third party certification body. Provisions will be made for suppliers that are not ISO certified but show a fully implemented quality system.



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2.3 Suppliers of Specific Services

Suppliers of specific services shall be registered to applicable standards (e.g., testing and calibration laboratories to ISO/IEC 17025, etc.).

2.4 Suppliers of Special Processes

Suppliers of Special Processes are required to perform AIAG CQI assessments annually, such as CQI-23 Molding System Assessment, CQI-9 Heat Treat Assessment, etc. Each supplier shall submit the appropriate CQI assessment documentation to Stone Plastics on an annual basis.

2.5 Supplier Approval

Suppliers are added to Stone’s Approved Supplier List with any of the following:

- Submittal of certification by an accredited third party certification body to the latest version of ISO 9001 or IATF 16949.
- Completing a Supplier Self-Assessment which is reviewed for approval by Stone’s Quality Manager and / or Commercial Manager, if supplier is not certified to the latest version of the ISO 9001. NOTE: An on-site visit may be requested upon review of the completed self-assessment.
- Stone Plastics’ customer specifies a particular supplier to be used.

NOTE: Customer mandated suppliers shall comply with the requirements of Stone Plastics’ Supplier Requirements Manual.

3.0 Supplier Performance Rating, Assessment and Inspection

3.1 Supplier Performance Rating

Each supplier will be evaluated by utilizing Stone Plastics’ Supplier Performance Rating system. The supplier will be rated on Quality Incidents, Delivery Incidents and Responsiveness.

The results of the evaluation will be used to identify suppliers requiring escalated performance corrective actions or for potential award of new business. Feedback from Customer Service, Program Management, Quality, Tooling, and Metrology shall be used as input into the Supplier Evaluation.

Quality Incidents shall include receipt of nonconforming product, damaged material, incorrect labeling or material, late PPAPs, and past due corrective action responses.

Quality Incidents Scale

# of Incidents	# of Points
≥ 3	0
2	1
1	2
0	3



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Delivery Incidents shall include late delivery and missing or incomplete material certifications at time of delivery.

Delivery Incidents Scale

# of Incidents	# of Points
≥ 3	0
2	1
1	2
0	3

Responsiveness to requests and needs of Stone Plastics shall be rated according to the table below. The team conducting the Supplier Performance Review will jointly apply a rating for responsiveness.

Responsiveness Scale

Rating	# of Points
Poor	0
Fair	1
Satisfactory	2
Great	3

An **Overall Performance Rating** will be compiled from the individual Quality Incidents, Delivery Incidents and Responsiveness scores.

Overall Performance Rating

Rating	# of Points	Status
GREEN	≥ 6	New business approved; No corrective action required
YELLOW	2 - 5	Conditional approval; Corrective action may be required
RED	0 - 1	New business hold; Corrective action required

3.2 On-Site Audits

Stone Plastics reserves the right to assess suppliers through on-site supplier audits.

3.3 Incoming Inspection

Incoming product may be subject to incoming inspection.



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4.0 Production Part Approval Process (PPAP)

4.1 Submission of PPAP

PPAPs are required to be submitted in accordance with the same requirements stated in the AIAG PPAP manual.

4.2 PPAP Level

Level 3 PPAPs, in accordance with AIAG, are required to be developed by the supplier for all PPAPs and retained. PPAP Submissions to Stone Plastics may entail a different level but at no point releases the supplier of its obligation to complete and have available a Level 3 PPAP for the part number they are supplying.

4.3 PPAP Timeliness

PPAP requests will be submitted to the supplier and include expectations for completion timing to support Stone Plastics' APQP process. If the requested due date cannot be met, the supplier must contact Stone Plastics with an acceptable date and the reason for delay. If a due date is missed without notification, the supplier rating score may be affected.

4.4 Supplier Product or Process Changes

Stone Plastics must be notified in writing of any changes in process, material, design, tooling or any other factors that could potentially affect the fit, function or performance of the product.

5.0 Shipping and Receiving

5.1 Packaging

All products should be packaged to adequately protect material during shipping and storage.

5.2 Labeling

All products should be identified with the following as a minimum:

- Part Number
- Description
- Quantity in container
- Date of manufacture
- Lot Number



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5.3 Material Certification

The Purchase Order from Stone Plastics will have a box marked stating if Material Certification is needed. All Material Certifications must be sent with the shipment. Stone will not accept an electronically sent Material Certification. If Material Certification is not present with the shipment, product may be returned at supplier's expense until proper Material Certification is available. Material without proper Material Certification may be considered a late delivery and affect your Supplier Performance Rating.

5.4 Shelf-life Identification

A 100% shelf life guarantee from date of receipt is required. Product that is perishable must have the shelf life expiration date indicated on the label.

5.5 Sample Product

Sample product has the same packaging and labeling requirements as production material. Product should be marked as "Sample" and the name of the person that requested the product indicated on the label.

5.6 Receiving Hours

Stone Plastics' hours for receiving are typically 6 AM to 4 PM, Monday through Friday, but may be subject to change. If unable to deliver during these times, you must contact Stone Plastics to make alternate arrangements.

5.7 Hazardous Material

Suppliers must follow all relevant Health, Safety and Environmental regulations. MSDS / SDS sheets must be provided in accordance with state and federal regulations. Ensure all proper markings are on containers and proper paperwork is supplied before you deliver.

Stone Plastics reserves the right to refuse any delivery that does not conform to these delivery conditions.

6.0 Delivery

6.1 On-time

Stone Plastics requires that shipments be received on the date specified on the Purchase Order. If Stone Plastics has not been notified and did not approve a different delivery date, the shipment will be considered late.



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6.2 Quality and Accuracy

All products shall meet the quality standards as agreed upon by Stone Plastics and the supplier. The quantity of material must be accurate for all shipments.

7.0 Corrective Action Process

7.1 Suspect and Nonconforming Material

Suspect and nonconforming material identified at Stone Plastics will be quarantined and reviewed for disposition by a cross-functional Stone Plastics team. Suppliers will be notified of quarantined material and any required associated actions.

The supplier shall notify Stone Plastics immediately if suspect or nonconforming product has been shipped or is in route. The supplier is responsible for taking all necessary actions to protect both Stone Plastics and its customers from suspect or nonconforming product usage, including completing any requested corrective actions.

7.2 Corrective Action

Stone Plastics requires that suppliers provide documented corrective action that follows the 8D format.

Actions to protect Stone Plastics and its customers from receiving or using nonconforming material must be implemented immediately and communicated to Stone Plastics within 24 hours of receiving notification or identification of the nonconformance.

Any suspect material to be returned to the supplier will be done at their expense. The material will be debited from the supplier's account unless agreed upon otherwise.

Completed corrective actions with verification evidence of effectiveness is due to Stone Plastics no later than 30 calendar days from notification of the nonconformance.

Extenuating circumstances, which are infrequent by nature, are to be handled on an individual basis through initiation by the supplier with the Stone Plastics' Quality Engineer for agreement on the corrective action due date.

7.3 Accountability and Cost of Quality

Suppliers are expected to provide quality and defect-free products, expert knowledge of the product, and proactive support. Suppliers may be held accountable for any and all costs incurred due to defective material produced by the supplier and shipped to Stone Plastics.

These costs may include, but are not limited to:



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- Costs due to an automotive recall
- Downtime at customer facilities
- Overtime hours at Stone Plastics
- Downtime at Stone Plastics
- Expedited freight charges and air shipment expenses
- Third party testing
- Scrap or reworking of finished goods
- Labor costs for sorting and/or reworking at end customer
- Labor costs for sorting and/or reworking finished goods
- Labor costs for sorting and/or reworking raw stock
- Labor costs for third party sorting and/or reworking
- Other costs as incurred