



Supplier Requirements Manual

SUPPLIER REQUIREMENTS MANUAL



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Page: 1 of 9



Supplier Requirements Manual

Table of Contents

1.0	Introduction	3
1.1	Purpose	3
1.2	Scope.....	3
1.3	Quality Policy	3
1.4	Environmental Policy	3
2.0	Supplier Approval.....	3
2.1	Approved Suppliers	3
2.2	Supplier Recertification.....	4
3.0	Supplier Performance Rating, Assessment and Inspection.....	4
3.1	Supplier Performance Rating	4
3.2	On-Site Audits	6
4.0	Supplier Inspection	6
4.1	Incoming Inspection.....	6
5.0	Production Part Approval Process (PPAP).....	6
5.1	Submission of PPAP.....	6
5.2	Supplier Product or Process Changes.....	6
5.3	Suppliers of Special Processes.....	6
6.0	Shipping and Receiving	6
6.1	Packaging	6
6.2	Labeling	6
6.3	Material Certification	7
6.4	Shelf-life Identification.....	7
6.5	Sample Product	7
6.6	Receiving Hours.....	7
6.7	Hazardous Material.....	7
7.0	Delivery	7
7.1	On-time	7
7.2	Quality and Accuracy	7
8.0	Corrective Action Process	8
8.1	Suspect and Nonconforming Material	8
8.2	Corrective Action	8



Supplier Requirements Manual

8.3	Accountability and Cost of Quality.....	8
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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

The scope of this manual applies to suppliers that provide the following:

- Raw materials such as:
 - Components
 - Resins
 - Packaging
- Products or services which a supplier provides directly to Stone Plastics' customer
- Processes provided by subcontractors such as:
 - Testing labs which verify our products
 - Contracted labor providers
 - Calibration services

It is the responsibility of the supplier's leadership to ensure compliance to the current version of this manual, available on <http://www.stoneplasticsmfg.com>. The supplier shall manage their sub-suppliers of products and services to ensure necessary measures are taken to meet the requirements defined in this manual.

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 Plastics shall satisfy all current governmental and safety regulations.

2.0 Supplier Approval

2.1 Approved Suppliers

Suppliers are added to Stone Plastics' Approved Supplier List by any of the following:



Supplier Requirements Manual

1. Completion of a Supplier Self-Assessment

NOTE: Supplier Self-Assessment will be reviewed for approval by Stone Plastics' Quality Manager and / or Commercial Manager, if supplier is not certified to the latest version of the ISO 9001. Approval will be granted based on service or products supplied by the supplier and controls deemed sufficient by Stone Plastics and/or Stone Plastics' customer(s).

NOTE: An on-site visit may be requested upon review of the completed self-assessment.

NOTE: Supplier Self-Assessments are **valid for 3 years** from their completion date.

NOTE: Changes to Stone Plastics' Supplier Self-Assessment will warrant resubmission of a completed self-assessment regardless of prior completion date.

2. Submittal of certification by an accredited third party registrar to the latest version of ISO 9001 or IATF 16949; or applicable standards if supplying specific services, such as testing and calibration laboratories with ISO/IEC 17025.

NOTE: It is the responsibility of the supplier to provide current registration documents to Sales@stoneplasticsmfg.com.

NOTE: Suppliers shall communicate any changes in registration status within five (5) working days.

3. 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.

2.2 Supplier Recertification

Suppliers will be recertified by:

1. One of the following, whichever is most applicable:
 - a. Completion of the Supplier Self-Assessment (once every 3 years)
 - b. Submittal of current certification by an accredited third party registrar to the latest version of ISO 9001 or IATF 16949.
2. Supplier Performance Rating history

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,



Supplier Requirements Manual

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

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



Supplier Requirements Manual

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.

4.0 Supplier Inspection

4.1 Incoming Inspection

Incoming product may be subject to incoming inspection.

5.0 Production Part Approval Process (PPAP)

5.1 Submission of PPAP

PPAP submissions may be requested to be submitted as evidence of product and process verification. If a PPAP submission due date is missed without notification, the supplier rating score may be affected.

5.2 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.

5.3 Suppliers of Special Processes

Suppliers of Special Processes may be requested to perform AIAG Special Process Assessments, such as CQI-23 Molding System Assessment, CQI-9 Heat Treat Assessment, etc. Reference www.AIAG.org for a complete list of Special Process Assessments.

6.0 Shipping and Receiving

6.1 Packaging

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

6.2 Labeling

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

- Part Number



Supplier Requirements Manual

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

6.3 Material Certification

The Purchase Order from Stone Plastics will have a box marked stating whether Material Certification is required. Material Certification must arrive with the shipment. Material shipped without proper Material Certification is unable to be used until the Material Certification is received. Missing or incomplete Material Certification may be recorded as a late delivery.

6.4 Shelf-life Identification

Product that is perishable will have the shelf life expiration date indicated on the label.

6.5 Sample Product

Sample product has the same packaging and labeling requirements as production material.

6.6 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, contact Stone Plastics to make alternate arrangements.

6.7 Hazardous Material

Suppliers must follow all relevant Health, Safety and Environmental regulations. 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 delivery.

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

7.0 Delivery

7.1 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 may be considered not on time.

7.2 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.



Supplier Requirements Manual

8.0 Corrective Action Process

8.1 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.

8.2 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. When corrective actions are unable to be closed by the due date assigned, the supplier is expected to work closely with Stone Plastics Quality Engineer until the issue is resolved.

8.3 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 or late material produced by the supplier and shipped to Stone Plastics or its customers.

These costs may include, but are not limited to:

- 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



Supplier Requirements Manual

- 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