

STRATUS PLASTICS INTERNATIONAL

SUPPLIER QUALITY MANUAL

Effective Date of Manual Reviewed: 03/06/2026

1. KEY CONTACTS (by role — not individual)

Position / Role	Responsibility	Email
Ownership / Sales	Purchasing & acquisitions, program management, quoting, business development	purchasing@stratusplastics.com
Quality Engineer	PPAP, corrective actions, quality concerns, SNCR, supplier audits, IMDS, environmental compliance	quality@stratusplastics.com
Materials & Production Manager	Material releases, shipping schedules, ASN, capacity, delivery concerns	materials@stratusplastics.com
Accounting & Purchasing	Purchase orders, invoicing, payment, PO changes	accounting@stratusplastics.com

2. PURPOSE & SCOPE

This manual defines SPI's quality, environmental, and delivery requirements for all direct material suppliers. It is based on IATF 16949, ISO 9001, ISO 14001, and SPI customer

3. MANAGEMENT SYSTEM REQUIREMENTS

QMS Certification	Suppliers must develop and maintain a QMS. Goal: certification to IATF 16949 (preferred) or ISO 9001 at minimum. Notify SPI immediately if certification
EMS Certification	Suppliers are expected to work toward ISO 14001 certification or demonstrate an active environmental management program.
Certification Evidence	Provide current QMS and EMS certificates to SPI upon request and at each renewal.
Continuous Improvement	Demonstrate ongoing improvement in quality, delivery, and cost. Be prepared to share improvement activities at SPI's request.
Sub-Tier Management	Suppliers are responsible for flowing down these requirements to their sub-tier suppliers and ensuring sub-tier compliance.
Right of Access	SPI, SPI's customers, and regulatory authorities reserve the right to access supplier facilities, records, and quality systems for audit or verification
Business Ethics	Suppliers must conduct business ethically, comply with all applicable laws, and adhere to principles of fair dealing, anti-corruption, and human rights.
Record Retention	Maintain quality, production, and traceability records for a minimum of production year + 1 calendar year, or per SPI/customer requirements, whichever is

4. ENVIRONMENTAL REQUIREMENTS

Compliance	Comply with all applicable environmental laws and regulations in your jurisdiction.
Restricted Substances	Materials must comply with applicable restricted substance requirements (GADSL, REACH, RoHS, etc.). Notify SPI immediately if a restricted substance
IMDS	International Material Data System (IMDS) submissions are required and must be approved BEFORE PPAP submission.
Conflict Minerals	Provide conflict minerals reporting (CMRT) upon request per Dodd-Frank / EU Conflict Minerals Regulation.
Packaging & Waste	Minimize packaging waste. Use returnable containers where agreed. Packaging materials should be recyclable where practical.
Pollution Prevention	Implement practices to prevent pollution, reduce waste, conserve energy and water, and minimize environmental impact from manufacturing operations.
Hazardous Materials	Provide current Safety Data Sheets (SDS) for all hazardous materials shipped to SPI. Comply with WHMIS / GHS labeling requirements.
Environmental Incidents	Notify SPI immediately of any environmental incident that may affect material supply, quality, or regulatory compliance.

5. PPAP REQUIREMENTS

Submission Level	Level 3 PPAP per latest AIAG manual, unless otherwise specified by SPI.
When Required	New part not previously supplied to SPI
IMDS First	IMDS must be submitted and approved PRIOR to PPAP submission.
Approval Before Ship	PPAP approval (signed PSW) is required before first production shipment. No shipment of changed parts without approved PSW or signed SPI deviation.
Directed-Buy	For directed-buy suppliers: provide approved PSW copy to SPI Quality before shipment, or evidence of customer waiver.
Annual Validation	When annual PPAP validation is required, the submission due date is October 1st each year. Tracking this date is the supplier's responsibility.
Electronic Submission	Submit all PPAP packages electronically where possible.

6. FIRST SHIPMENT & LAUNCH REQUIREMENTS

Certified Stock	First 90 days of new business start-up: supply certified stock identified with a green sticker.
First 30 Days	Upon PPAP approval, additional characteristics verified at increased frequency for minimum 30 days. Confirm plan with SPI Quality before start.
Production Trial Run	During launch phase (SOP + 90 days), SPI may require supplier attendance at a production trial run (PTR) to verify manufacturing process, line speed,
Eng Change First Ship	Attach an 8½ x 11 notification form to each container on the first shipment of an engineering change. Mark: 'New Engineering Level Parts' and the

7. ENGINEERING & PROCESS CHANGES

Prior Notification	Before making ANY change (design, process, material, location, sub-supplier), notify SPI Quality for documentation and approval requirements. SPI's
PPAP Required	Unless otherwise notified, a Level 3 PPAP submission is required for all engineering changes.
Authorization to Ship	Only an approved PSW or SPI-signed deviation authorizes shipment of engineering-changed parts.
Process Changes	Changes to manufacturing process, equipment, tooling, or location require SPI notification and may require new PPAP.
Material Changes	Any change in material, material source, or sub-supplier requires SPI notification, updated IMDS, and may require new PPAP.

8. SHIPPING, DELIVERY & MATERIAL RELEASES

Releases	Material releases sent via EDI, fax, or email. Supplier responsible for shipping to these requirements. Notify SPI Materials Manager immediately if release
ASN	Advanced Shipping Notices required within 30 minutes of shipment leaving your facility (email, fax, or EDI).
Capacity	Support 100% of quoted requirements PLUS 20% of daily quantity. Up to 20% increase available via normal transport on first scheduled truck of current

Over-Capacity	If weekly release exceeds quoted capacity, notify SPI Materials Manager immediately via email upon receipt of release.
Reconciliation	Reconcile accumulated shipments weekly upon release receipt. Report variances to Materials Manager immediately. Supplier may be charged for
On-Time Delivery	100% on-time delivery to release schedule is expected. Notify SPI immediately of any potential late shipment.

9. PACKAGING, LABELING & TRACEABILITY

Packaging	Adhere to SPI or SPI's customer packaging specs. Develop expendable containers and obtain SPI approval before use. Ensure product is protected from
Shipping Labels	AIAG-compliant bar code labels. Scannable fields: SPI customer part number, quantity, serial number, engineering change level, mfg/lot date (calendar
FIFO	First-In-First-Out. Multiple lot dates on same pallet: oldest on top, newest on bottom. Mfg/lot dates on labels must be legible — no handwriting.
Lot Traceability	All mfg/lot dates and ship dates traceable to unique serial number on each container label. Maintain traceability from purchased raw materials through
Country of Origin	Clearly indicate country of origin on shipping labels per applicable regulations.
Hazardous Materials	Ship hazardous materials per TDG (Canada) / DOT (US) regulations with proper SDS, labeling, and documentation.

10. NONCONFORMING MATERIAL

Detection	Components found nonconforming through line rejections, testing, inspection, customer concerns, warranty, or returns are handled per this section.
Notification	Supplier notified by phone and/or email. All containment actions initiated immediately to maintain production/shipping.
Replacement Parts	Supplier must have replacement parts available immediately at their cost to prevent SPI downtime.
SNCR	Supplier receives a Supplier Nonconformance Report (SNCR) detailing the issue. Administrative charge of \$250 per SNCR.
Dispute	24 hours to dispute nonconforming material charges. Disputes must be in writing with supporting evidence to SPI Quality.
Third-Party Sort	May be required at supplier's cost until acceptable performance achieved. Only SPI-approved sorting services. Sorted stock identified with green Certified
Sort at SPI	If immediate sort is needed at SPI, SPI will arrange sorting at supplier's expense until supplier makes third-party arrangements.
Customer Location Sort	Any quality issue resulting in sort or containment at SPI's customer location will result in a chargeback capturing all costs and admin charges.

11. CORRECTIVE ACTION

Response	Requirement	Timeline
Containment	Submit initial containment actions. Supplier format acceptable. SPI template available.	24 hours from notification
Root Cause & Plan	Root cause analysis and planned permanent corrective actions with timing and responsibilities.	5 business days
Implementation & Close	Implement permanent actions, verify effectiveness, close. Contact SPI Quality Engineer if extension needed.	30 days
Certified Labels	Place 100% Certified labels on shipping labels during root cause and corrective action phases. Remain until SPI Quality accepts permanent action.	Until SPI closure
On-Site Verification	SPI may arrange on-site visit to verify implemented corrective actions.	As required
Lesson Learned	Apply corrective actions to similar products/processes to prevent recurrence.	With closure

12. SUPPLIER PERFORMANCE MONITORING

Supplier performance is monitored on the following indicators. Suppliers rated below acceptable status may be placed on new business hold, require improvement plans, and/or third-

Category	Metrics	Target
Quality	PPM, sorts, corrective action response time and effectiveness	0 PPM (target); < 50 PPM (acceptable)
Delivery	On-time %, expedites, discrepancies, ASN compliance	100% on-time
Customer Service	PPAP timeliness, communication, post-sale support, responsiveness	Timely and complete
Certification	IATF 16949 / ISO 9001 / ISO 14001 status (as applicable)	Certified or progressing
Environmental	Restricted substance compliance (IMDS, GADSL), SDS currency, incident reporting	Full compliance

Supplier Rating & Escalation

Rating	Definition	Consequence
Preferred	Consistently meets or exceeds all requirements	Eligible for increased volume and new business
Approved	Meets requirements with minor issues	Standard monitoring; improvement plan if trending down
Conditional	Repeated quality or delivery problems	Formal corrective action required; enhanced incoming inspection; new business hold possible
Probation	Systemic failures; customer impact	New business suspended; exit plan if no improvement within 90 days

13. VISITOR / PLANT RULES

Entry	All suppliers must enter through the main entrance, sign in and out, and review SPI emergency evacuation policy.
Escort	All visitors must be accompanied by an SPI employee at all times.
Safety	Safety glasses required in production/warehouse areas. Comply with all posted safety requirements.
No Disruption	No interruption of production operations.
No Food/Drink	No food or drink on the production floor.
No Photography	No cameras or video equipment without permission from Plant Manager / Ownership.
Controlled Goods	If visiting CG-restricted areas: additional security briefing required, escort at all times, sign CG visitor log.

14. PURCHASE ORDER CHANGES

PO changes issued upon receipt of official quotation. Each update identifies PO revision number and effective dates. PO updates issued for: piece price change, part number change,

15. SPECIAL REQUIREMENTS (IATF 16949)

Special Characteristics	Identify and control special characteristics designated by SPI or SPI's customer (safety, regulatory, critical). Flow through PFMEA, control plan, and work
Product Safety	Suppliers producing safety-related components must have documented processes for managing product safety characteristics, including enhanced
Contingency Planning	Maintain contingency plans for supply interruption events (equipment failure, natural disaster, labor disruption, sub-tier failure). Notify SPI immediately of
Counterfeit Parts	Implement processes to prevent counterfeit or suspect parts from entering the supply chain. Apply to electronic components, fasteners, and any parts at
Warranty Support	Support warranty analysis and field failure investigation as required by SPI. Provide timely root cause and corrective action for warranty claims.
Customer-Directed Changes	SPI's customer may impose additional requirements beyond this manual. SPI will communicate these as Customer Specific Requirements (CSR). Compliance is mandatory.

16. SUPPLIER ACKNOWLEDGEMENT

Supplier acknowledgement is completed via Microsoft Forms. This provides a digital record with timestamp, eliminating the need for signed paper copies.

Microsoft Forms — Supplier Acknowledgement

SPI will send suppliers a Microsoft Forms link. The form collects:



[Supplier Quality Manual – Fill out form](#)

How It Works

- Supplier Quality Manual (Excel) to the supplier along with the Microsoft Forms link
- Supplier reviews the manual, then completes the Forms acknowledgement online
- Microsoft Forms auto-captures: respondent identity, timestamp, all field entries, and uploaded certificates
- Responses flow into a SharePoint list or Excel file automatically — no manual data entry by SPI
- SPI Quality Engineer reviews submissions and follows up on missing certificates or non-certified suppliers
- Re-acknowledgement requested when the manual is revised (new rev issued) or annually at SPI's discretion
- All Forms responses retained in SharePoint as quality records per retention requirements