



Western Diversified Plastics, LLC.

Supplier Requirements Manual

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1.0 INTRODUCTION

- 1.1. This manual was developed to communicate the WDP Supplier requirements to all external suppliers and provide a common process that includes but not limited to all phases of APQP, Launch and Supplier Quality. All forms of communication including corporate and day-to-day operations to and from Western Diversified Plastics will be in English.

2.0 WDP SUPPLIER POLICY

- 2.1. To maintain a beneficial relationship with a supplier, WDP will provide prompt and specific feedback when purchased components do not meet specifications.
- 2.2. It is a policy of WDP to work with Suppliers as partners to resolve any issues and welcome any continuous improvement events.
- 2.3. It is the policy of WDP to give preference to approved suppliers with a current supplier performance grades of "A" or "B" as the supplier of a purchased item for a new product program when there is no substantive difference in total systems cost. The purpose of this policy is to reward WDP suppliers that exhibit a high level of performance in the areas of quality, cost, delivery, and technology.

3.0 SCOPE

- 3.1. This manual applies to all WDP approved production part and material suppliers globally. For purposes of this manual, "WDP" refers to Western Diversified Plastics, LLC and all its affiliates and subsidiaries, who may issue purchase orders to suppliers.
- 3.2. Compliance to the requirements within this manual as well as the WDP Purchase Order Terms and Conditions are mandatory. Please refer to the link below:

[WDP Terms and Conditions of Purchase Order 06102014 docx \(westerndp.com\)](#)

4.0 SUSTAINABILITY

- 4.1. WDP has implemented social responsibility programs that apply across our organization and to our suppliers. These programs are based on our core company values and are integrated into our company culture.

4.2. SOCIAL RESPONSIBILITY POLICY-

WDP has social responsibility programs that apply across our organization and to our suppliers. WDP policies are based on applicable federal, state, and local laws. WDP is committed to upholding the highest levels of integrity and are continuously working to improve social, ethical and environmental conditions throughout the company and the supply chain.

4.3. Social Responsibility

- **Freely Chosen Employment**— No forced, bonded or indentured labor or involuntary labor pursuant to applicable federal, state, and local laws.

- **Child Labor Avoidance**—Underage child labor is not to be used in any stage of manufacturing as defined by applicable federal, state and local laws.
 - **Working Hours**—Workweeks are not to exceed the maximum set by applicable federal, state, and local law.
 - **Wages and Benefits**—Compensation paid to workers shall comply with all applicable state, and local wage and hour laws.
 - **Humane Treatment**—Disciplinary actions are handled for workers in a fair and humane manner as well as to assure compliance with applicable federal, state, and local laws.
 - **Non-Discrimination**—Discrimination based on race, color, national origin, age, gender, sexual orientation, ethnicity, disability, pregnancy, religion, political affiliation, familial status, marital status, weight or height in hiring and employment practices such as promotions, and access to training in compliance with applicable federal, state, and local laws.
- 4.4. **Conflict Materials**—WDP does not support any conflict materials presently in their products, but does support the objectives of Sec. 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act to discourage companies from using “Conflict Minerals” (as defined below), and is committed to ensuring that Conflict Minerals stay out of our supply chain. All products are verified through the IMDS System.
“Conflict Minerals” or “Conflict Metals” include;
- gold (Au);
 - tantalum (Ta);
 - tungsten (W);
 - tin (Sn).
- 4.5. **Environmental, Health, and Safety**—Worker exposure to potential safety hazards. (e.g., electrical and other energy sources, fire, vehicles, and fall hazards);
- Comply with all applicable federal, state and local laws and regulations;
 - Reduce and eliminate the use of hazardous materials in our products;
 - Reduce the amount of raw materials used in operations and promote recycling and use of recycled materials per ISO 14001 and ISO 45001;
 - Prevent pollution by reducing or eliminating emissions to the environment;
 - Work closely with our customers and suppliers to minimize their overall impact on the environment;
 - Communicate Environmental Health & Safety issues with all WDP associates through training programs and meetings.

5.0 DEFINITION

5.1. Acronyms

- AIAG: - Automotive Industry Action Group - (www.aiag.org)
- CAPA: - Corrective and Preventive Actions
- CoA: - Certificate of Analysis
- CSR: - Customer Specific Requirement
- CQI: - Continual Quality Improvement (CQI)
- IATF:16949: - “International Automotive Task Force” Is the global technical specification and quality management standard for the automotive industry based on ISO 9001.
- IMDS: - International Material Data System
- MSDS: - Material Safety Data System
- MSA Studies: - is a thorough assessment of a measurement process

- PPAP: - Production Part Approval Process

6.0 NEW PRODUCT LAUNCH

- 6.1. All approved external production suppliers involved in pre-production and new product launches are required to formulate advance quality plans to support the development of new product and/or services, in accordance with the guidelines in the *Advanced Product Quality Planning (APQP)* manual published by the Automotive Industry Action Group (AIAG).
- 6.2. New product/process launch, tool kickoff approval and readiness measures are implemented to ensure that suppliers are able to produce in accordance with all the requirements of the Purchase Order, Supplier Agreement (if applicable) and Customer Requirements. An on-site visit may be required based on the OEM or customer requirements.
- 6.3. Supplier Document/Reporting – Proper documentation reporting is important to the overall success of the program. Please refer to PPAP 4th edition for a list of documentation required. Specific requirements will be conveyed on a case-by-case basis. If, for any reason, WDP does not receive the required documentation from the supplier within the guidelines set, WDP may reject shipments and return product at the supplier’s expense.
- 6.4. Launch Support during any program launch at a WDP facility, directed and selected suppliers may be required to provide on-site representation. The supplier’s launch support representative(s) must be knowledgeable, capable and empowered to make decisions. Coverage must be provided for all shifts.
- 6.5. Launch Support at a Supplier for any new program, whether a directed and selected supplier, WDP may require being on-site for the run at rate and the capacity phase. The WDP launch support representative(s) will be a member of the program team.

7.0 SUPPLIER REQUIREMENTS

7.1. Expectations

QUALITY -	Quality PPM =< 10 PPM
DELIVERY -	100% On-time Delivery (Expectation)
PPAP -	100% PPAP submissions on time
CAPA -	Initial Responses within 24 hours
RESPONSIVENESS -	Requested responses within 24 hours
CERTIFICATION -	Supplier to be Certified to ISO 9001 and Compliant to IATF 16949
SUSTAINABILITY -	Meet all Federal, State and local laws with regards to Social Responsibility

- 7.2. **Supplier Risk Assessments** shall be conducted per IATF sect. 8.4.1.2 to determine the Supplier Risk for those suppliers that are identified as “High, Medium or Low Risk” suppliers and will be tracked by WDP on the ASL (Approved Supplier List). The Assessment will be executed by Sales, Supplier Quality and/or Program Management and reviewed annually with the criteria to include, but are not limited to:
- Business Mix
 - Technologies
 - Supplier’s production location
 - Sustainability
 - Capacities
 - End Use risk
 - Complexity
 - Supplier launch history
 - Processing capability
 - APQP History
 - Quality
 - Product/Process concerns (OTD / PPM / Responsiveness)
 - Supplier financial concerns
- 7.3. Suppliers are responsible for obtaining and maintaining copies of the latest revised/current versions of CQI documents @ www.aiag.org and referenced publications as an **annual requirement** for the customer specific requirement (CSR) to WDP. This would also cover OEM specific applications (i.e. W-IMMS etc.) Copies of all applicable publications can be obtained from the Automotive Industry Action Group) such as:
- CQI - 09 - Heat treat Systems
 - CQI - 11 - Plating Systems
 - CQI - 12 - Coating System
 - CQI - 15 - Welding System
 - CQI - 17 - Soldering System
 - CQI - 23 - Molding System
 - CQI - 30 – Rubber Processing Systems
- 7.4. Capacity Plans per CSR are to be run with Production equipment, Production tools, and Production resources to simulate actual runs. Capacity totals should be no more than 80% of Maximum output. Reasons for Capacity Plan:
- New Product Launch readiness;
 - Customer Requirements;
 - Change of Machines or Locations;
 - Maximize Utilization;
 - Verification output for PPAP purposes;
 - Validation of the process will meet quoted quantities.
- 7.5. Statutory and Regulatory Requirements are defined in the WDP Terms and conditions. The Supplier shall document their process to ensure that purchased products, processes, and services conform to the current applicable statutory and regulatory requirements in the country of receipt, the country of shipment, and the customer-identified country of destination, when provided.
- 7.6. Record Retention

- Production records;
- Material Certifications;
- GR&R;
- MSA Studies;
- CoA;
- Inspection records;
- Shipping / labeling documents;
- All Batch History records are to be maintained for a minimum of LOP + 1 year.

7.7. Suppliers are responsible for ensuring adherence to **OEM Customer Specific Requirements (CSR)**. For additional information regarding OEM CSR's, please refer to International Automotive Task Force Customer Specific Requirements:

<https://www.iatfglobaloversight.org/oem-requirements/customer-specific-requirements/>

8.0 SELECTION / PPAP / DEVIATIONS

- 8.1 Supplier selection is based on past delivery and quality performance, complexity of components, sub-assemblies, or assemblies and Customer target pricing being supplied. The WDP Sales Engineers, Project Managers and Purchasing Associates will identify those suppliers. To be added to the WDP Approved Supplier List, all suppliers must meet or exceed the following per IATF 16949 - 8.4.1.2:
- Delivery and Quality performance;
 - Manageable Risk Assessment;
 - Registration to industry standard quality systems; (i.e., IATF16949, ISO9001, etc.)
 - Supplier Responsiveness to requests;
 - Cost Competiveness;
 - Supplier Capabilities.
- 8.2 For the Production Part Approval Process (PPAP), WDP requires all suppliers to meet the specific component requirements prior to the first normal production shipment to WDP. All PPAP submissions need to be per AIAG PPAP 4th edition manual. Suppliers must be proactive on sending the PPAP documentation to the quality engineering department.
- The purpose of a PPAP is to determine if all WDP engineering design specification requirements are properly understood and implemented by the supplier and that the process has the potential to produce product consistently meeting those requirements during an actual production run.
- 8.3 Part Certification Requirements - The Production Part Approval Process (PPAP) 4th edition defines generic requirements for production part approval, including production of discrete parts and materials in bulk. WDP Quality Engineering will determine the level of PPAP required.
- 8.4 All PPAP documents must be sent electronically for the following reasons:
- 8.4.1 Initial submission;
 - 8.4.2 New Part numbers;
 - 8.4.3 Engineering Changes;
 - 8.4.4 Tooling: (Transfer, Replacement, Refurbishment);
 - 8.4.5 Product Correction or Discrepancy;
 - 8.4.6 Change to optional construction or materials;
 - 8.4.7 Major change in part processing;

- 8.4.8 Parts produced at an alternate or additional location.
- 8.5 The Automotive document-reporting requirements are standard policy at zero cost to WDP unless otherwise amended in writing by WDP Lead Purchaser. Please send the appropriate PPAP documents electronically to the PPAP coordinator listed on the project contact list.
- 8.5.1 The PPAP documents shall be submitted in the order of AIAG PPAP 4th edition manual.
- 8.6 The WDP Quality Engineer specifies the submission levels at the time the information is requested and they may be as follows:
- Level I - Warrant only (and for designated appearance items, an Appearance Approval Report) submitted to the customer;
 - Level II - Warrant with product samples and limited supporting data submitted to the customer;
 - Level III: Warrant with product samples and complete supporting data submitted to the customer. This level is required for all WDP designed components, some specific components if required by our customer, when there is a component change to fit, form, function or type of material and when we start receiving parts from new suppliers' locations. The supplier shall submit all defined documents to a level 3 per table 4.2 in AIAG PPAP Manual 4th edition;
 - Level IV: Warrant and other requirements as defined by the customer. This level is required per our customer requirements and the supplier shall submit at the very least PSW, dimensional results, material certification, numbered drawings or specifications and IMDS #. Supplier will be informed if additional documents are needed;
 - Level V - Warrant with product samples and complete supporting data reviewed at the organization's manufacturing location.
Note: All Documentation to be maintained by the supplier for customer review.
- 8.7 Once the PPAP documentation is received, reviewed and approved, the PPAP approver will send a copy of the PSW with his/her signature and date of approval back to the supplier. This indicates that the part meets all customer requirements, and the supplier can start shipping the part in compliance with IATF 16949.
- 8.7.1 Suppliers **may be requested to** submit an **annual re-certification** for production parts including the following:
- 8.7.1.1 PSW;
 - 8.7.1.2 dimensional results;
 - 8.7.1.3 Material certification.
- 8.8 Any component or assembly that is identified as a **safety or critical item or contains any special requirements** must have additional inspections implemented prior to WDP receiving the component or assembly for launch. Suppliers may be required to attend key build events prior to production launch. WDP will identify suppliers during the development phase.
- 8.9 Supplier deviations are required for less than a full PPAP approval to begin production or ship material to a WDP receiving facility per the requirements of the 4th edition AIAG

Production Part Approval Process (PPAP) manual. A temporary deviation form must be submitted in writing and approved prior to any parts being shipped.

9 Supplier Change Control Request Process

- 9.1 No supplier-driven change (material, process or move of production location) can be made to any product supplied to WDP without prior approval from WDP. This is consistent with IATF - 8.5.6.1 Control of Changes. All products supplied to any location at WDP are subject to obtaining the proper approval from WDP in advance. Supplier changes can include, but are not limited to the following:
- 9.1.1 Changing design/specification of material;
 - 9.1.2 Changing dimensions, tolerances or discontinuation of parts;
 - 9.1.3 Changing sub-suppliers of components, raw materials, or services
 - 9.1.4 Equipment/process changes to improve yields, capacities, and cycle times or part fabrication;
 - 9.1.5 Production location change.
- 9.2 The supplier change request must be made in writing to the WDP Lead Purchaser, SQE and/or Quality Engineering Manager. Change requests must be submitted with sufficient time prior to implementation so WDP can review and approve the request. Suppliers will receive email notifications with the approval status. Once the approval is granted, a copy of the approval email shall be included with the PPAP submission.
- 9.2.1 All change requests must be submitted to the Lead Purchaser, SQE and/or Quality Engineering Manager.
Email: (WDP_Change_Control@mol-son-wdp.com)
 - 9.2.2 Proper evidence and communication prior to implementation of changes will minimize unnecessary delays in the process.
 - 9.2.3 This change control policy applies to the Suppliers' sub-suppliers and will need to show evidence that the policy has been communicated to the sub-suppliers. The supplier will assume all responsibility for their sub-suppliers.

10 QUALITY DISCREPANCY REPORT

- 10.1 When a discrepancy is found in a component shipment and/or at the production lines, a reject is issued and sent to the supplier via email along with documented evidence of the defect and production traceability if available.
- 10.2 Containment actions timing are required from the supplier with one (1) calendar day (Initial Response) after the reject was reported. The supplier will have fourteen (14) calendar days to provide a full investigation report (Final Response) identifying the root cause and a solution for the problem in an 8D format. The supplier may use an 8D format that they are comfortable with to determine root cause and corrective action.
- 10.3 3rd Party Containment Expectations:
- 10.3.1 3rd Party Containment is defined as the implementation of additional controls by an impartial third party. 3rd Party Containment is implemented when a supplier's in-house Production Quality Containment activity fails to shield WDP, LLC. Or its customer(s) from receipt of nonconforming material at WDP.
 - 10.3.2 WDP will analyze the nonconforming issue(s) and determine if 3rd Party Containment is required.

- 10.3.3 The 3rd party supplier must provide daily documentation to both the initial supplier and WDP on the progress of containment activity.
- 10.3.4 The supplier is responsible for issuing the purchase order to the third-party source and is responsible for all costs for the sort company performing the containment activities.
- 10.3.5 Initiation of the 3rd Party Containment does not relieve the supplier of any relevant Production Containment activities following the aforementioned containment guidelines and responsibilities.
- 10.3.6 Approval to remove the 3rd Party Containment will need to be approved by the WDP Quality Department.

11 Handling, Storage, Packaging, Shipping

- 11.1 The Supplier shall establish and maintain a process for handling, storage, packaging, preservation and delivery of product.
 - 11.1.1 These procedures shall also cover the specific requirements for:
 - 11.1.1.1 Marking of the product containers.
 - 11.1.1.2 Hazardous materials (where required by Purchase Order).
 - 11.1.1.3 Handling: When applicable, the Supplier shall establish unique methods of handling the product that prevent damage.
 - 11.1.1.4 Packaging and Preservation: The Supplier is responsible to design the packaging (UOS) for protection and preservation of product until received at WDP.
 - 11.1.1.5 Submit Production "Packaging Plan" prior to PPAP to WDP.
 - 11.1.1.6 Shipping – All testing evidence shall be documented.
 - 11.1.1.7 Limited Shelf Life Materials – On each container of, and on the Certificate for, materials having a limited shelf life, the Supplier shall show the manufacturing date, expiration date or shelf life, lot batch number, and when applicable, any special storage or handling conditions. Time lapse between manufacture date of such materials and date of scheduled receipt.
 - 11.1.1.8 All product received in at WDP that is not PPAP'd must have a notification Label attached. (Any color but White which is production ID color. And marked NOT PPAP'D)
 - 11.1.2 Completion and approval from WDP Manufacturing Engineering and the Warehouse of MEI003-F001

11.2 Labeling – AIAG Format (MEI003-F002)

- 11.2.1 AIAG Label Format: The specified identifiers shall be applied on the standard Bar Code Label in the following:
 - 11.2.1.1 a)-Supplier Name and Address (A)
 - 11.2.1.2 b)-WDP Part Number (P) - Barcoded
 - 11.2.1.3 c)-Part Description (D)
 - 11.2.1.4 d)-Quantity of Parts (Q) - Barcoded
 - 11.2.1.5 e)-Engineering Level and/or Manufacturing date of Part (2P)
 - 11.2.1.6 f)-Lot Number (1T) - Barcoded
 - 11.2.1.7 g)-Serial Number (S) - Barcoded
 - 11.2.1.8 h)-Country of Origin

11.3 Example:

Supplier Name and Manufacturing Address: (a)	
Part No: (P) 5164-75-001A	Traceability Info: (e)
(b)	
Desc. RELAY MINI ISO (c) FORM A	Lot #:(1T) 210720 (f)
Qty (Q) 400 (d)	Serial# (S) 2120205373 (g)
(h) <u>Manufacture Country of Origin: United States</u>	

11.4 Controlled Shipping

- When required for “**controlled shipping containment**”, WDP may formally request a supplier to implement Controlled Shipping. The intent of Controlled Shipping is to implement a process that protects WDP from the receipt of nonconforming parts and/or material. Controlled Shipping is put in place as an additional inspection process to sort for nonconforming material, while implementing root-cause analysis and corrective actions. The Controlled Shipping process is in addition to normal controls. The Controlled Shipping Containment Process to include the following:
 - 11.4.1 A highly visible and equipped containment area;
 - 11.4.2 A well-defined efficient flow of material in and out of the area;
 - 11.4.3 Provisions for repairs/rework separate from the containment area;
 - 11.4.4 Containment area separated from the supplier’s normal production process;
 - 11.4.5 Proper job instructions, quality standards, boundary samples, tools, equipment, and qualified measurement devices to facilitate the containment operations;
 - 11.4.6 Proper operator training with adequate details of the process.

11.5 For determination of the Need for Controlled Shipping. The following are considered in determining the need for Controlled Shipping:

- 11.5.1 Repeat non-conformances;
- 11.5.2 Duration and severity of the problem at the customer;
- 11.5.3 Incapable processes;
- 11.5.4 Customer (OEM) Requirements at start-up;
- 11.5.5 Inadequate containment and/or resolution of non-conformances.

11.6 Controlled Shipping Levels

- 11.6.1 CS1 (Controlled Shipment Level 1) –
 - 11.6.1.1 The supplier is required to perform a 100% certification of all products prior to shipment *through an additional, off-line inspection process*.
 - 11.6.1.2 *This measure would be in addition to any existing controls and containment measures previously implemented.*
 - 11.6.1.3 This level is imposed on suppliers who have failed to contain or correct quality issues effectively, and immediately.
 - 11.6.1.4 Each container of certified material must be clearly identified with a listing of all conditions for which the material has been certified.

- 11.6.2 CS2 (Controlled Shipment Level 2) –

- 11.6.2.1 The supplier is required to subcontract a third-party product certification contractor to independently 100% certify all products prior to shipment to WDP.
- 11.6.2.2 This level is imposed on suppliers who fail to contain or correct quality issues through the Level 1 Containment program.

11.7 Suppliers required to implement either Level 1 or 2 Containment will be notified by WDP Quality Department. Each container of certified material must be clearly identified with a listing of all conditions for which the material has been certified. Permanent Corrective Actions to prevent recurrence are to be implemented in conjunction with these containment programs. Once permanent actions are implemented and verified effective for 30 days, containment may cease with the approval of WDP Quality Department representative.

12 COST RECOVERY

12.1 WDP selects suppliers based on their ability to manufacture and provide components to our specific drawing specifications without visual or functional discrepancies. Suppliers are required to meet delivery and quality targets. Conformance to this requirement is the supplier's responsibility. Suppliers awarded with WDP business will be held accountable and responsible for all costs incurred due to non-conforming product identified during WDP manufacturing or final customer use of our finished product. For each incident, a debit memo will be issued to the supplier. Debits are issued to the supplier through the WDP Finance Department in cooperation with the Supplier and WDP Purchasing.

12.2 Please refer to the guidelines below regarding applicable charge backs to suppliers. The following charges will be calculated on the actual time incurred for the associated action. These charges include, but are not limited to, the following:

12.2.1 **Administrative Charges** that get processed by WDP will carry a \$200 administrative fee. This charge is to cover the collection of data and documentation in support of cost recovery.

12.2.2 **Freight charges** - Premium freight costs above standard freight including air charter if required. Any other expedited freight incurred.

12.2.3 **Labor Charges:**

12.2.3.1 Rework/Repair/Containment – WDP Man hours used for sorting or reworking components/finished goods @\$50.00 USD (US Rate/hr.) to meet production requirements.

12.2.3.2 Overtime to avoid production interruption @\$50.00 USD (US Rate/hr.)

12.2.3.3 Sorting of suspect material in house, at the customer location or third party

12.2.3.4 Receiving inspection, material handling and associated scrap and replacement material.

12.2.4 **Downtime Charges:**

12.2.4.1 Production downtime at WDP incurred due to supplier quality issues will be charged back to the supplier-based machine type, size, etc. in USD. (US\$ Rate/hr.)

12.2.5 **Other Charges:**

12.2.5.1 Rework or repair materials, tooling, gauges, testing equipment or third-party testing as a result of supplier defects.

12.2.5.2 Premium Freight incurred to and from the customer as a result of supplier defects.

- 12.2.5.3 Customs charges, duties, taxes, and other fees as a result of supplier defects.
- 12.2.5.4 WDP customer exposure (if any) including recovery costs to vehicle recall, or warranty claims as a result of supplier defects.
- 12.2.5.5 Mandatory disposal fees (Country and location specific) as a result of supplier defects.
- 12.2.5.6 Customer charge backs by the End customer downtime. (Could vary and will be passed on to the WDP supplier) as a result of supplier defects.

13 SUPPLIER QUALITY RATING SYSTEM

- 13.1 To meet requirements of measuring supplier performance, the WDP supplier rating system will utilize composite measures (such as PPM, OTD, Issue Responsiveness and PPAP performance) which cover various aspects of the supplier's performance. The scorecard will provide a documented record of the suppliers' quality, delivery, written complaints, and customer satisfaction ratings.
- 13.2 On Time Delivery (OTD) is calculated based on the promised date of delivery by the supplier against the scanned date in receiving warehouse. Due to weekends and delays in the system, the range of delivery is up to 10 days early and down to 10 days late. Supplier Quality will monitor the timing range.
- 13.3 Parts per Million (PPM) Quality Performance - One of the measurements of Quality Performance of suppliers is defective parts per million (PPM). Product received into WDP plants that do not conform to the drawing, specifications and/or agreed upon standards will be counted against a suppliers PPM record. Quantities will be reported in the units of measure in which they are purchased. The following are PPM assignable causes:
 - 13.3.1 Production parts that does not meet drawing specifications or dimensional, functional, or appearance standards as called out in the specification or from an agreed upon boundary sample;
 - 13.3.2 Out-of-spec parts that need to be sorted;
 - 13.3.3 Shipments that are received with mixed parts or parts that are wrong revision level after the break point has been established. PPM is assigned for the quantity of incorrect parts only;
 - 13.3.4 Shipments that are received that have mislabeled containers are considered PPM assignable. In cases where each individual part requires identification, the total number of incorrectly labeled parts will be counted toward PPM.
- 13.4 Escalation Process
 - 13.4.1 For suppliers with chronic or repetitive quality issues, Western Diversified Plastics (WDP) reserves the right to impose additional 3rd party containment measures (at supplier expense) to ensure conforming product is received at WDP plants.

14 SUPPLIER MONITORING / EVALUATIONS

- 14.1 Supplier Monitoring and Evaluations are addressed quarterly based on the performance of how they meet WDP supplier performance expectations per the IATF 16949 section 8.4.2.4 "Supplier Monitoring" at a minimum:
 - 14.1.1 Delivered product conformity to requirements.
(PPM = Rejected / Total Pcs x 1,000,000)

- 14.1.2 Customer Disruptions to the receiving plant including yard holds and stop shipments.
- 14.1.3 Delivery schedule performance
(On Time = 10 Days Early - 10 Days Late)
- 14.1.4 Number of occurrences of premium freight
- 14.1.5 Supplier responsiveness to WDP requests.
- 14.1.6 Dealer returns, warranty, field actions and recalls.

14.2 Supplier Scorecards ratings:

Delivery Criteria/Performance		Quality Criteria Performance	
% On Time Delivery	Rating	Rating	PPM
≥95 - 100%	<div style="background-color: green; color: white; padding: 2px;">A</div>	<div style="background-color: green; color: white; padding: 2px;">A</div>	0 - 10
≥90 - <94%	<div style="background-color: #c6e0b4; color: white; padding: 2px;">B</div>	<div style="background-color: #c6e0b4; color: white; padding: 2px;">B</div>	11 - 200
≥85 - <89%	<div style="background-color: yellow; color: black; padding: 2px;">C</div>	<div style="background-color: yellow; color: black; padding: 2px;">C</div>	201 - 400
<85%	<div style="background-color: red; color: white; padding: 2px;">D</div>	<div style="background-color: red; color: white; padding: 2px;">D</div>	401+
Current Quarter	<div style="border: 2px solid red; border-radius: 10px; background-color: green; color: white; padding: 5px; width: 40px; margin: auto;">A</div>	<div style="border: 2px solid red; border-radius: 10px; background-color: green; color: white; padding: 5px; width: 40px; margin: auto;">A</div>	Current Quarter
On Time Delivery Action		PPM Action	
<div style="background-color: green; color: white; padding: 2px;">No Action Required.</div>		<div style="background-color: green; color: white; padding: 2px;">No Action Required.</div>	

RATING DEFINITION

- A - Excellent performance, preferred source. (AFB - Approved for Business)
- B - Good, above average performance, (AFB - Approved for Business)
- C - Meets minimum requirements but needs improvement. (CAFB - Conditionally Approved for Business)
- D - Does not meet minimum requirements for performance. (NAFB - Not Approved for Business)

COMMENTS

Responsiveness- Excellent
 Quality PPM - Excellent
 OTD - Excellent

14.3 2nd Party Assessments (Supplier development)

- 14.2.1 WDP shall determine the priority, type, extent, and timing of required supplier development actions for its active suppliers. Determination of inputs shall include but are not limited to the following:
 - 14.2.1.1 Performance issues identified through supplier monitoring (Scorecard);
 - 14.2.1.2 Second-party audit findings (see Section 8.4.2.4.1 - IATF 16949);
 - 14.2.1.3 Manufacturing risk analysis;
 - 14.2.1.4 Financial Stability.

Note: WDP shall implement actions necessary to resolve open (unsatisfactory) performance issues and pursue opportunities for continual improvement

15.0 Supplier Sign-off acknowledgment.

SUPPLIER MANUAL REVIEW AND APPROVAL:

Please sign and scan Pg. #15 and send to: (Supplier Quality or Purchasing)

SUPPLIER NAME: _____

SUPPLIER REPRESENTATIVE: _____

DATE: _____

WDP REPRESENTATIVE: _____

DATE: _____

Exceptions:
