



# Supplier Manual

**SP-P01**

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## Revision History

Date	Rev.	Description
Jul – 18 – 17	0	First edition

## 1 Section 1 – Introduction

### 1.1 Policies and Mission

#### Quality Policy

Our commitment of quality, is to exceed the customer's expectation and requirements, by achieving our objectives and continuous improvement of our quality management system.

#### Environmental Policy

We, Mutsutech, S.A. DE C.V., acknowledge that everyone is responsible for the protection of our natural environment, taking it into consideration that the environmental impacts may result in the people's safety, manufacturing and distribution of our products

Our MISSION is to become the leading manufacturer of quality injection molded parts in the region, providing quality service, technical expertise and a shorter turnaround time at less cost.

### 1.2 Purpose

The Quality purpose of our organization is to produce quality products, to achieve customer's satisfaction and to contribute to the well-being of our employees

Environmental purpose is to prevent environmental pollution and to promote continuous improvement of our Environment Management System, with the implementation and achievement of our Objectives, Targets, compliance of Legal and other Requirements, and to Increase competitiveness throughout Conservation and Efficient use of Resources

### 1.3 Scope

This manual applies to all direct material/services external suppliers, also sets requirements applicable to all existing and potential supplier.

### 1.4 Proprietary Information

All information, drawings, materials, goods and equipment provided to suppliers by Mutsutech, or arising from work or services done for Mutsutech shall be treated by suppliers as confidential and proprietary. Suppliers shall not disclose or show to others without written approval from Mutsutech.

### 1.5 Supplier Responsibilities.

Suppliers are responsible for always using the latest version of this Supplier Manual (SP-P01) published by Mutsutech on its Supplier website: <http://www.mutsutech.com.mx/>

Understanding the content of this manual in its entirety and ensuring that all related departments or sub-suppliers are trained in regards to appropriate guidelines and requirements.

Certification to ISO 9001 with compliance to other customer-defined IATF 16949 requirements.

Receive second-party audit based on a risk analysis, including product safety/regulatory, requirements, performance of the supplier and QMS certification level.

## **1.6 Language**

Mutsutech's official language is English. All official communication with Mutsutech will be in English. Documents may display the native language when integrated in parallel transition. In this instance, the English is the only valid version.

## **2. Quality System Expectations**

### **2.1 Supplier Quality Manual**

The supplier shall maintain a Quality Manual that includes:

- Supplier's Quality Management System
- Supplier's quality policy and objectives
- Documented procedures
- Record retention policy

The supplier's management shall be engaged to ensure compliance and continuous improvement of the requirements outlined in their Quality Manual. Our supplier shall provide a copy of their current Quality Manual when requested by Mutsutech.

### **2.2 Quality System Requirements**

Mutsutech suppliers shall demonstrate a top-management commitment to continuous improvement of quality and delivery. This commitment should be evident in the supplier's quality planning and quality controls. Supplier's quality system should include the following as a minimum set of requirements:

- Quality Manual
- Quality Policy
- Document control
- Procedure for customer contract review
- Specific quality-performance indicators/measures to track and react to trends
- Procedures for incoming, in-process and final inspection.
- System to review engineering drawings and to control appropriate engineering configuration.
- System for test and measurement equipment control and calibration.
- Procedures for the control and disposition of non-conforming material.
- Procedures for certifying/training operators according to specific processes and operations.
- Procedure for corrective and preventive actions.

### **2.3 Government Regulatory Compliance**

Suppliers shall comply with all applicable governmental regulations. These regulations relate to the health and safety of the employees, environment protection, toxic and hazardous materials, (Nafta requirements). Suppliers should recognize that the applicable government regulations might include those in the country of manufacture, as well the country of sale. Registration to ISO14001 is strongly recommended. Mutsutech requires our supply base to comply with the "Conflict Minerals" and RoHS.

## 2.4 Management Responsibilities

Supplier's management must notify Mutsutech immediately of any significant changes.

Quality Planning	Quality Control	Quality Improvement
Determine customers' unique needs.	Develop and maintain Quality Plans and Control Plans.	Identify projects for problem solving
Develop and maintain Quality policies.	Develop and maintain calibration system.	Formulate continuous improvement policy/program.
Develop and maintain short- and long-term goals and performance metrics.	Develop and maintain change notification procedures.	Integrate controls in problem solutions.
Support supplier development strategies.	Adhere to problem containment and traceability procedures	Recognize and encourage proper behavior in your quality.
Support product-feature and manufacturing-process development.	Ensure adequacy of systems and Quality manual creation and conformance.	Develop and periodically review an internal audit program.
Develop and maintain training procedures.	Monitor cost-of-poor-quality.	Provide resources and training

## 2.5 Customer Communications

The supplier shall communicate essential business information to Mutsutech, such as, Inquiries, orders, bids, amendments and invoices, product quality issues relating to design, specifications, changes and notifications, delivery delays and/or shortages, customer feedback and information.

The supplier is responsible for the validity and accuracy of the documents submitted electronically and must comply with all applicable requirements.

## 2.6 Document Control

The supplier shall establish and maintain procedures to ensure that applicable documents related to QMS are updated, approved for use, available at points of use and controlled in a consistent manner. The supplier shall maintain a record of each change implemented, also, the supplier must have a master list of documentation including the current revision level, it or they shall be maintained to prevent use of invalid or obsolete documents.

If applicable the supplier shall notify Mutsutech of any changes by submitting a supplier process and design change request.

## 2.7 Record retention

The supplier shall establish and maintain records to provide evidence of regulatory compliance and Mutsutech requirements. Quality records shall be kept for at least twenty years (only if it is for automotive, if not, only five years). There records should be legible, stored in an environment that protects documents from deterioration and are readily accessible upon request by Mutsutech.

## 2.8 Confidentiality

The supplier shall use confidential information exclusively for the purposes of supporting the current business relationship with Mutsutech, the supplier shall (NOT) sell spare parts, raw material or other components incorporating or containing confidential information to any third party.

## **2.9 Risk Assessment and contingency planning**

The supplier shall conduct a risk assessment of their operations that support to Mutsutech's production facilities, quality requirements, and delivery schedules. Each assessment should consider, the supplier shall prepare a contingency plan to ensure Mutsutech's continued operations at a minimum from the impacts arising from:

- Natural disasters
- Geo-political hazards
- Supply chain disruptions
- Facilities or system issues
- Information loss
- Intellectual property claims
- Personnel concerns
- Equipment problems

## **2.10 Environmental, Health and Safety compliance**

Mutsutech is committed to sound Environmental, Health and Safety operating practices based on ISO 14001 including some important points like decreased use of hazardous substances, reduce waste and emissions, improve energy and water conservation, greater reuse and recycling of materials, safe and healthy work environment that prevent accidents, and injuries and continuous improvement in EH&S performance.

Mutsutech recommends to our suppliers not to limit in ISO 14001 as a supplier and adhere the environmental policy found on our website at: <http://www.mutsutech.com.mx/>

## **2.11 Incoming product Quality**

The supplier shall implement a process to ensure quality of incoming deliveries to meet Mutsutech's requirements. The process should incorporate standard methods including:

- Statistical data evaluation from sub-suppliers
- Performance-based receiving inspection
- Testing based on approved sampling plans
- Supplier audits with records of acceptable delivered product quality.
- Part evaluation by an approved laboratory
- Other methods approved by Mutsutech.

All non-conforming material resulting from this process shall be identified and quarantined. The supplier and sub-supplier shall have a process for disposition of non-conforming product.

## **2.12 Customer Approved Sources**

Mutsutech may accept suppliers approved by the customer, but these suppliers shall ensure the quality of the products, performance, and source of materials, and must also achieve on-time delivery and give extension of credit

## **2.13 Purchase Orders**



Purchasing information in the contract or purchase order, shall describe the product (s) to be purchased, including where appropriate: requirements for approval of product, procedures, process equipment, requirements for qualification of personnel and special requirements from our customers, such as non-use of any banned substances.

### **2.14 Customer requirements**

Mutsutech requires below items for accepting supplier's product:

- Packing list (All time without discrepancies)
- COC (If applicable)
- MSDS (First time)
- IPC (If applicable)
- RoHS (If applicable)
- Analysis certificate (If applicable)
- Melt flow tests (If applicable)

When Mutsutech does not receive this information, can reject your materials and can also issue a corrective action request.

This Manual communicate to external providers our requirements such as:

- Process, products and services to be provided to Mutsutech must be of quality
- Products and services must arrive to Mutsutech with necessary information mentioned.
- The release of products and services must be released based en AQL.
- Competences will be evaluated based on rejection and late shipments.
- Verification or validation activities that the organization, or its customer, intends to perform at the external provides' premises.

Mutsutech requires pass down all applicable statutory and regulatory requirements and special products and process characteristics to their suppliers and require the suppliers to cascade all applicable requirements down the supply chain to the point of manufactures.

### **2.15 Second-party audits**

Mutsutech will be performing audits to all suppliers when they do not achieve our internal target based on rejections by our requirements or delivery on time from supplier to our company.

These audits will be based in their supplier management approach using for the following points:

- a) Supplier risk assessment
- b) Supplier monitoring
- c) Supplier QMS development
- d) Product audits
- e) Process audits

Supplier shall implement actions necessary to resolve open (unsatisfactory) performance issues and pursue opportunities for continual improvement sharing it to your customer.

## 2.16 Corrective action

Our organization shall take actions to eliminate the causes of nonconformities, in order to prevent recurrence. Quality department will send "Vendor corrective action" to any supplier when detects any abnormal situation, discrepancy or another issue like the situations mentioned below or mentioned in the clause 2.14:

- Discrepancies
  - Damaged gaylord
  - Different result based on melt flow
- Quality problems
  - Contaminated
  - Different color
  - Out of spec
  - Cosmetic defects
  - Incorrect impressions