## 0. Approval Section

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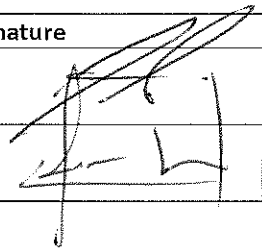
| Francisco Méndez | QA Manager |  | Mar-2022 |
| Rodolfo Sainz | Purchasing Manager | | Mar-2022 |

# Contents

## 1. Introduction

This manual defines the technical and organizational requirements for critical or selected suppliers of Toray Advanced Textile Mexico SA de CV company, hereinafter referred as “TAMX” to ensure the quality of supplied parts and materials

In particular, specific requirements are stipulated regarding the quality management system as well as the production and product release process. The supplier is responsible for the upholding of these requirements without any exception.

The supplier must meet the industry's usual expectations regarding business ethics, working conditions, human rights and the sustainable use of the environment. The applicable national legal regulations or official requirements must be observed.

Exceptions, modifications and/or additions to requirements or procedures defined in this agreement require the express permission of the customer in writing.

In addition to the usual contact persons for technical, commercial, logistical, and quality issues, the supplier shall appoint a Product Safety Representative (PSR). The PSR is responsible for identifying risks and minimizing them by taking appropriate.

## 2. Quality Management System Requirements

### 2.1 Quality Management System

Each TAMX supplier is required to maintain an effective quality management system, preferable one that conforms to IATF 16949 or at least to ISO 9001 Quality Management System Requirements. In addition, the supplier must meet all other requirements of this manual.

### 2.2 Quality Manual and Procedures

The supplier, as requested, will furnish TAMX with a copy of the supplier’s Quality Manual and supporting procedures. This includes detailed documents and work instructions specific to production of material for TAMX.

### 2.3 Control of Sub-tier Suppliers

Suppliers are responsible for the quality of materials and components provided by their sub-tier suppliers and sub-contractors. TAMX's suppliers must impose controls on their sub-tier suppliers that provide quality results and documentation comparable to the controls applied to suppliers by TAMX. The extent of the controls may vary, depending on the nature and complexity of the product and processes, but should normally include:

- Evaluation and qualification of sub-tier supplier facilities.
- Control to ensure that raw materials used meet the TAMX requirements.
- Part qualification, including first article inspection and process capability studies of as applicable.
- Control of drawings/revisions.
- Control of nonconforming material.
- Corrective action and preventive action programs.
- A continuous quality improvement program.

## 3. Supplier Qualification Process

All suppliers of production materials to TAMX must be qualified suppliers. The extent of the qualification process is dependent upon the criticality of product purchased and other factors determined by TAMX. The qualification process fundamentally on:

- Supplier selection and evaluation.
- A quality management system self-assessment completed by the supplier.
- Optional on-site assessment by TAMX personnel or their authorized agents.

TAMX periodically evaluate the suppliers for performance follow up purpose.

## 4. Part Qualification

The supplier is responsible for submitting all PPAP data requested by TAMX. TAMX and the supplier will agree on the number of the samples to be checked and submitted.

In some cases, TAMX personnel may wish to be present during the initial production run. This will allow TAMX to validate and verify the process before any product is shipped.

### 4.1 Process Capability Studies

For special characteristics or agreed product and process characteristics, the supplier must analyze and record the suitability of the production facilities and special features:
Process indicator limits for quantitative characteristics:

- A Cpk of at least 1.67 is required for qualification stage.
- A CpK of at least 1.33 is required for mass production.

### 4.2 Packaging & Labeling

The supplier must adequately plan for packaging of material shipped to TAMX. The supplier will provide a documented packaging plan including container size, number of parts per container, packaging configuration, etc. Packaging will be designed to provide protection from any damage that may occur. Packaging, labeling, and shipping materials must comply with the requirements of common carriers to secure the least transportation costs.

### 4.3 Traceability

The supplier must plan for traceability of components. The supplier will provide a written plan specifying how components will be marked with serial or lot numbers and date codes if required, or how containers will be identified with lot numbers or date codes if component marking is not required. The plan will also include sizes of lots or batches. Where possible, batch sizes should be minimized to aid in containment should quality problems be found.

## 5. Manufacturing Control

### 5.1 Process Control

TAMX suppliers are required to control all manufacturing processes in accordance with the control plan, which is approved during part qualification. Statistical Process Control shall be applied for critical characteristics (CC) or special characteristics (SC).

### 5.2 Process Improvement

Out-of-control or unstable processes (which have assignable causes) and processes that do not meet the minimum Cpk/ Ppk requirements must be identified and corrected. The Supplier must also improve processes with low yield rates.

### 5.3 Traceability

Traceability ties finished product back to the components used in the product. The traceability marking should be effective down to the individual component, i.e., lot code, batch or serial should be identifiable throughout TAMX's processes.

### 5.4 Maintenance

The supplier must maintain all facilities, manufacturing machines, tools, measuring devices, and other equipment in such a manner that the supplier can support TAMX's production requirements, and the quality of parts manufactured for TAMX is not degraded in any way.

## 6. Changes

### 6.1 Change Control

The supplier must have a documented system for assuring that the latest TAMX specifications are in effect at their facility. The supplier's quality management system must contain a documented procedure that describes the method used for the receipt, review, distribution, and implementation of all changes to specifications. In addition, the procedure must address control of obsolete specifications. A documented procedure should also detail the method used to contain new or modified parts until approved by the customer.

### 6.2 Process change

Supplier must have a process change procedure to report modifications in the production process or product.

The condition of change usually occurs for 6 aspects:

1. Materials (product)
2. Machines (process)

3. Methods (organizational)
4. Measurements (Control)
5. Manpower (People power)
6. Mother nature (Environment)

Process changes steps.

1. Supplier must submit the "Supplier Change Request" (SCR) form F-QMS-031 for customer approval. Supplier cannot start any change request before to get the SCR approval.
2. SCR decisions:
    a. SCR approved – PPAP required
    b. SCR approved – Information only
    c. SCR approved - Qualification procedure required
    d. SCR rejected

### 6.3 Supplier Deviation Request

A supplier is never permitted to knowingly ship product that deviates from the specification limits, or design intent without written authorization from TAMX. If such a condition exists, the supplier may request TAMX to allow shipment of the product. This is accomplished by initiating a Deviation Request.

If directed by TAMX, the supplier must send samples of non-conforming items to TAMX for evaluation. The cost of any testing required to determine the acceptability of the product will be charged to the supplier. TAMX will determine the item's acceptability and what corrective actions (if any) are required beyond the deviation. If approved, TAMX will send a written deviation approval to the supplier.

The deviation is only intended to be an interim action and is not to be construed as an engineering change. The supplier must begin work immediately to correct the condition in question. This must be accomplished within the time frame stated on the deviation. Failure to comply with the mutually agreed upon closure date for the deviation may result in the supplier's rating being affected.

In all cases, the supplier must fully contain all product suspected of being non-conforming at their facility. In addition, the supplier may be required to sort any suspect product at TAMX.

**Any parts sent to TAMX that have been approved on a deviation must be clearly identified, or other packaging method with the appropriate markings decided jointly by TAMX and the supplier.**

## 7. Packaging & Labeling

Each supplier must adequately plan for packaging. TAMX encourages supplier-initiated packaging improvements. Suppliers will provide packaging that provides protection from any damage that may occur. Packaging, labeling, and shipping materials must comply with the requirements of common carriers, in a manner to secure the lowest transportation costs.

Each product must have a label identification, with the information agree on packaging standard.

## 8. Corrective Action System

TAMX requires suppliers to utilize a corrective action system when problems are encountered in their manufacturing facility, or after nonconforming product has been shipped to TAMX.

### 8.1 Corrective Action Process Approach

The corrective action system utilized should be similar to the process outlined below. The focus should be on identifying the root cause(s) of the problem and taking action to prevent its recurrence.

- Use a team approach
- Describe the problem
- Contain the problem
- Identify and verify root causes(s)
- Implement permanent corrective actions
- Verify corrective action effectiveness
- Close the corrective action

### 8.2 Corrective submission response timing:

| 8D step | Target time to complete activity |
|---|---|
| 1D | 24 Hours |
| 2D | |
| 3D | |
| 4D | 5 days |
| 5D | |
| 6D | *10 days |
| 7D | *20 days |
| 8D | |

* Target dates (time deviations shall must be coordinated with TAMX)

## 9. Government Regulatory Compliance CSR & Sustainability

### 9.1 Business Ethics

Integrity and transparency are the foundation of a successful business activity. For this reason, the company's activities are carried out in compliance with local laws, which include:

- Anti-competitive business practices.
- Anti-corruption.
- Respect for company data
- Respect for personal data
- Protection of intellectual property
- Conflicts of interest

### 9.2 Working Conditions and Human Rights

#### 9.2.1 Age of Workers:

The age of employment must be in accordance with local labour law. Child labour should not be tolerated.

#### 9.2.2 Wages and Benefits:

Compensation and benefits should be competitive and comply with applicable local laws, including those relating to overtime compensation, minimum wages, and legally mandated benefits.

#### 9.2.3 Labour Hours:

Labour hours, including overtime, should comply with applicable local laws regulating hours of work.

#### 9.2.4 Forced Labour:

Any form of forced or compulsory labour, including human trafficking, should not be tolerated.

#### 9.2.5 Freedom of Association:

Workers have the right to express to management their ideas related to working conditions without fear of harassment, intimidation, or reprisal.

Workers should have the right to associate freely, join labor unions or seek representation in accordance with local laws.

### 9.3 Health and Safety

Workers should have a safe and healthy working environment that meets or exceeds applicable standards for safety and occupational health.

For items with inherent hazards, safety notices must be clearly observable. As applicable, IMDS, SDS sheets must be provided during the First Article process.

### 9.4 Environmental Standards

We pursue effective environmental protection in order to reduce the environmental footprint of our products through-out their life-cycle. All products manufactured within the supply chain, and the applied materials and substances used in the process are expected to meet environmental standards for design, development, distribution, use, disposal, or recycling. Such a comprehensive approach includes but is not limited to:

- Reducing greenhouse gas emissions
- Reducing water consumption
- Reducing energy consumption
- Enhance the environmental awareness for the employees
- Promote use of renewable energies
- Improve waste management

## 10. Change Control

| Version | Date of revision | Change Description |
|---|---|---|
| 00 | Oct- 2021 | Initial draft document |
| 01 | Mar-2022 | Supplier Change Request form and steps added |

| TAMX Toray Advanced Textile Mexico | **Supplier Change Request** | Código: F-QMS-031 | | |
|---|---|---|---|---|
| | | Fecha de Rev.: Mar-22 | Rev. 0 | Pág.: 1/2 |

** SUPPLIER CANNOT START ANY CHANGE REQUEST BEFORE TO GET THE SCR APPROVAL.
AFTER SUPPLIER GET THE APPROVAL FOLLOW UP THE SCR DECISIONS**

## General Information (To be completed by supplier)

**Supplier:** _____ **Requestor:** _____
**Address:** _____ **Phone #:** _____
_____ **E-mail Address** _____

**Date of Request:** _____ **Supplier internal:** _____

## Section 1 Change Request (To be completed by supplier)

**1. Request type:**

- ☐ Drawing Change
- ☐ Supplier Change
- ☐ Environmental
- ☐ Manpower
- ☐ Methods
- ☐ Manufacturing Change - location, process, tooling, etc. (please specify)
- ☐ Measurements
- ☐ Materials
- ☐ Others _____

**2. Part Number:** _____ **Revision:** _____

**Part Description:** _____

**3. Description of Current Process or Specification:**

**4. Reason for Change and Description of Process or Specification:**

**5. Proposed Change Effectivity Date** (**NOTE:** Change approval may take an extended period when TAMX customer approval is required. Changes shall not be implemented prior to the receipt of written approval from TAMX.):

**Date** _____

## Section 2 To be completed by TAMX

**SCR #** _____

**Quality Manager** _____
**Signature** **Date**

**SCR decision:**

- ☐ Approved - PPAP Required
- ☐ Approved - Information Only
- ☐ Approved - Qualification Procedure Required
- ☐ Rejected

Control de cambios

| Versión | Fecha de revisión | Descripción del cambio |
|---|---|---|
| 0 | Mar-22 | Formato inicial |
| | | |
| | | |