

Controlled Shipping Level 1 and 2



(PR) Procedure

WHQ_SQD_PR007

WHQ

SQD

02.A

2022-02-18

EN

Type

Code

Belonging

Process

Edition

Issue date

Language

PURPOSE

Controlled Shipping is a demand being made by Wittur that a supplier put in place a redundant inspection process to sort for a specific nonconformance, while implementing a root-cause problem solving process. The redundant inspection is in addition to normal controls. The data obtained from the redundant inspection process is critical as both a measure of the effectiveness of the secondary inspection process and the corrective actions taken to eliminate the initial nonconformance.

The CSL process does not replace the normal nonconformity management and in particular the fact that failures should be communicated to the Supplier, who then has the duty to put in place containment actions for all similar defects

SCOPE

CSL is applied to Suppliers of direct parts not able to deliver right levels of quality or Suppliers that are generating repetitive issues (rejected lots, ppm spikes, inappropriate corrective actions, etc.).

CSL Process is divided in 2 steps, with an escalation level based on the effectiveness of corrective actions put in place by the Supplier.

The SQM manager bears the responsibility of initiating, monitoring and exiting suppliers into CSL I and CSL II process. A Wittur supplier of direct parts can be placed on CSL I, CSL II process as per the part quality issues described in this section. CSL I, CSL II process generally will be requested by the Wittur plant quality manager based on part quality performance.

REFERENCE

NA

RESPONSIBILITY

PROCESS OWNER

Corporate

Local

Local plant Quality

Purchasing, Supplier Quality Development

Plant Quality Manager

RELATED DOCUMENTS

Procedures

WHQ_SQD_PR001 – Supplier/Wittur Data Claim Management

WHQ_SQD_PR002 – Supplier Qualification, monitoring and evaluation

WHQ_SQD_PR006 – Supplier Escalation Procedure

Instructions

NA

Forms

FR001 [WHQ_SQD_PR007] CSL entry letter

FR002 [WHQ_SQD_PR007] CSL exit letter

FR003 [WHQ_SQD_PR007] CSL Audit checklist

FR001 [WHQ_IMS_PR009] – Non-Conformance Report (NCR)

Other

WHQ_SQD_MAN001 – Supplier Manual

Issue history	Date	Ed.	Description of change	Editor	Approvers
First	2017-07-24	00		G. Carpio	A. Aviles
	2017-07-24	00		G. Carpio	A. Aviles
	2018-01-25	01	Modified reference to Supplier Manual WHQ_SQD_MAN001	M. Ursida	V. Bruno
Current	2022-02-18	02	Responsibility reviewed and document format updated	M. Ursida	V. Bruno
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0. TERMS AND DEFINITIONS

1. FOREWORD

CSL I and CSL II will be required to the supplier to assure certified deliveries while awaiting the full recovery of the conformance on the production process or /and the product.

2. DESCRIPTION OF THE OPERATIONS

2.1. CSL I status

Conditions to start a CSL I is the occurrence of major or repetitive quality issues, like:

- Repetitive defective batches for the same type of defect (2nd time defect occurs)
- PPM spikes, epidemic failures, or failures in multiple Wittur sites
- Blocked products in warehouses

The normal definition for repetitive defect is the second time when the same defect occurs. If the first defect is judged so critical that CSL I is needed, the Factory Quality Manager can choose to start it anyway.

Note: not all rejected batches will automatically lead to opening of CSL Process. Factory might still reject some batches and manage them in a standard way, without the need to start a CSL I.

When a Supplier is put in CSL I status for a specific code, the **Supplier is requested to add an extra 100% control on CTQ, or characteristic linked to the defect on finished components for the next 3 deliveries after CSL I start**. The extra control must be certified on every part with **green label** or similar.

Wittur factory might decide to stop the application of "free pass", charging the supplier for the controls to be done in Incoming Inspection during the CSL I.

CSL I status is closed if no defects are found in next 3 deliveries.

2.1.1. CSL1 OPERATIVE PROCEDURE

Start of CSL I

Following a formal request (*Invitation letter reference*) from WITTUR, the supplier will implement a CSL I in addition to the sorting and control plan of his serial production.

*The CSL I activity will be operated:

- Out of the production line
- In a dedicated zone
- In accordance with a specific control instruction approved by WITTUR

**Supplier will make available the evidence that:

- Sorting operators have been trained to the CSL I Instructions
- The performance of the sorting activity will be monitored daily by the supplier. Supplier must send according to request the I-Chart per part number and/or by batch delivered. Equivalent documents are accepted by Wittur.
- Identification of every single part, box and delivery passed through CSL I. (Any batch delivered without the agreed marking will be rejected applying the normal procedure for rejected batches)

The supplier formally guarantees the conformance of goods delivered for each delivery that takes place while CSL I is in the process of implementation.

Evaluation according to CSL Audit Checklist will be done by Supplier/Wittur before starting.

The cost of sorting will be borne by the supplier. Any batch delivered without the agreed marking will be rejected applying the normal procedure for rejected batches.

Final Decision

CSL1 status is closed if no defects are found in next 3 deliveries (or during a period agreed with SQM).

If only 1 defect is found in one of these 3 deliveries, the item code is moved to CSL II status.

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If 1 defect of a different type is found (different from the defect that led to CSL I open), the SQM will inform the Supplier and ask to extend the CSL I for additional 3 shipments, including 100% controls on both the types of defects (last one found and first that generated CSL I open).

2.2. CSL II status

Conditions to warrant the move to CSL II are quality issues found during CSL I, or ineffectiveness of corrective actions (reoccurrence of problems after CSL I closure).

When a Supplier is under CSL II status, the same requirements for CSL I remains as well with an additional control made by an external provider due to Supplier ineffective 100% certified controls.

CSL II status applies for a specific code. The Supplier is requested to add an extra 100% control on finished components for the next 3 deliveries after CSL II start. The extra control must be certified on every part with green label or similar.

An external company (Service Provider) selected by Wittur or proposed by the Supplier, paid by supplier, will check 100% of incoming parts in dedicated area at Wittur plant (or any place defined by Wittur).

CSL II status is closed if no defects are found in next 3 deliveries.

2.2.1. CSL2 OPERATIVE PROCEDURE

Start of CSL II

Following a formal request (Invitation letter reference) from WITTUR, the supplier will implement a CSL II in addition to the CSL I sort and control plan of its serial production.

The supplier is required to put in place a sorting activity by an external company in WITTUR facilities (or any place defined by Wittur), validated by WITTUR, in line with criteria defined along the CSL I (* and **).

*The CSL II activity will be operated:

- Out of the Wittur production line
- In a dedicated zone in WITTUR or at any place defined by WITTUR
- In accordance with a specific control instruction approved by WITTUR

**External sorting company will make available the evidence that:

- Sorting operators have been trained to the CSL II Instructions
- The performance of the sorting activity will be monitored daily by the sorting company. Supplier must send according to request the I-Chart per part number and/or by batch delivered. Equivalent documents are accepted by Wittur.
- Identification of every single part, box and delivery passed through CSL II. (Any batch delivered without the agreed marking will be rejected applying the normal procedure for rejected batches)

The cost of sorting will be borne by the supplier.

Sorting results will be communicated to both WITTUR and the supplier.

Evaluation according to CSL Audit Checklist will be done by Supplier/Wittur before starting.

WITTUR and Supplier will agree sorting company which will be required to work with.

Final Decision

In case of no problems in next 3 deliveries (or during a period agreed with SQM), CSL status is removed, in agreement with SQD. The code status is restored to status preceding the CSL I.

In case of problems found by Service Provider in next 3 deliveries, CSL II status is prolonged: if there is only 1 nonconforming part, CSL II status is extended to additional 3 deliveries. Nonconforming parts will be sent back to Supplier and the batch will be released for production.

In case of prolonged CSL II, there is a business consequences for the Supplier and a review of sourcing strategy.

Alternative options for sorting

The standard CSL II procedure foresees the use of an external Service Provider as independent third party.

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The following alternatives are also allowed, to be agreed case by case among the parties (Wittur and Supplier):

Supplier can send its own people to Wittur factory (not recommended, this is only an extraordinary option to ensure continuity to production)

Wittur might request the Service Provider to execute the CSL II at Supplier premises

3. ALTERNATIVE OPTIONS FOR DURATION

Type and duration of CSL (both CSL I and CSL II) will be managed by SQM and SQD.

In specific situations, both SQD and SQM can agree to have CSL Process based on time duration or number of batches delivered. It could be agreed between SQM/SQD and Supplier to start a CSL Process based on time duration or number of batches under CSL status.

4. CSL KPIs

CSL KPIs are tracked in the CSL tracking file and managed by SQM. Most important ones are:

- Nr. of CSL I open
- Nr. of CSL II open

KPIs should be regularly shared with Purchasing to ensure continuous improvement and follow up with most critical Suppliers.