

# 8.4.3 - Purchasing Requirements



Rev: 1 August 28<sup>th</sup> 2019

Written by: \_\_\_\_\_ Approved by QHSE/Technical: \_\_\_\_\_

## 1.0 PURPOSE:

The purpose of this document is to outline the specifications which apply to the suppliers of Socomore Ireland. It applies to all suppliers (manufacturers, subcontractors and resellers) of Products (see Definitions) including any subcontractors of these suppliers.

The document can be reviewed on our website: [www.socomore.com](http://www.socomore.com)

## 2.0 REFERENCES:

- EN/AS 9100
- ISO 9001
- ISO 14001
- General Conditions of Purchase

## 3.0 DEFINITIONS:

**Socomore:** Defines Socomore Ireland, a subsidiary of the Socomore Group in France.

**The Supplier:** Refers to any manufacturer, product & materials distributor, or subcontractor (including sub-subcontractors) supplying a product as a part of a purchase: design, creation, manufacturing, implementation or product maintenance operations by service providers (design office, transporter/storage operator, audit and/or standardisation operations, after sales).

**The Contract:** Refers to a purchasing contract, an order, a design brief, technical specifications.

**The Product:** Generic term used to describe the Product, subject to a purchasing contract: service, item, equipment, raw materials, textile, packaging, wholesale trading, subcontracting operation. It may be purchased from different retailers who are supplied by one or more manufacturers.

## 4.0 PRINCIPLES AND RESPONSIBILITIES:

To gain and preserve its customers' trust, Socomore Ireland must guarantee the quality of its manufacturing, products and services. This condition can only be satisfied by controlling the quality of its purchases. To reach this objective, Socomore Ireland requires that their Suppliers maintain an organisation that aims to control and constantly improve the quality of their products and/or services. This document lists all the requirements in terms of standards, and additions to these standards required by Socomore Ireland. The defined provisions do not release the Suppliers from their full responsibility for ensuring compliance of the Product or Service delivered with technical, quality and regulatory requirements or with other clauses of the Contract.

## 5.0 CONFIDENTIALITY COMMITMENT:

Socomore Ireland undertakes to respect the rules of industrial confidentiality vis-à-vis the Supplier, and the Supplier guarantees Socomore Ireland's non-disclosure to a third-party of documents, data and information provided within the framework of the Contract's execution, without written authorisation

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### **6.0 CONTROL OF THE MANAGEMENT SYSTEM:**

#### **Required Certifications:**

The Supplier must maintain a management system as long as it is practicable that defines the structure, the responsibilities, the procedures and the resources to ensure and demonstrate compliance of the Product with the specifications required by Socomore Ireland. This system, as long as it is practicable, must adhere to the model of at least the standard ISO 9001, EN/AS 9100 and/or ISO 14001. The Supplier must ensure that their processes are risk assessed covering all its activities and determine the actions accordingly if required. Socomore Ireland assesses the management system deployed at its different Suppliers using a preliminary assessment questionnaire provided during initial enquiries.

Socomore Ireland reserves the right to assess, by audit, the management system of a Supplier depending on the information collected in the questionnaire. The various certificates justifying recognition of the Supplier's management system must be communicated to Socomore Ireland's quality department, upon obtaining them initially and at each renewal.

The following paragraphs highlight Socomore Ireland's additional requirements, in view of the aforementioned standards.

#### **Right of access:**

The Supplier grants access to Socomore Ireland's representatives, to its customers, to its instructing parties and if necessary, to regulatory authorities, at production sites where the services concerned by the Contract are designed and carried out. They must also authorise these same representatives to consult any documents and/or relevant records up until their date of expiry. Visits from said representatives will be announced in advance in writing.

#### **Transfer of business, outsourcing:**

The Supplier undertakes not to outsource all or part of the service concerned by the Contract without express written authorisation from Socomore Ireland. The Supplier must keep an up-to-date list of its qualified subcontractors and make it available to Socomore Ireland upon request. Socomore Ireland's requirements must be passed on to any subcontractors in their entirety.

#### **Management of records and data:**

The Supplier must have documented and up-to-date administration of records. Records relative to quality must be conserved in an environment which ensures their longevity, their usability and their physical integrity for the duration of the conservation period, set at 7 years minimum. Records should be archived in such a way as to ensure complete traceability. In all cases, the Supplier shall store all documentation and shall request authorisation from Socomore Ireland's quality department before proceeding with its destruction.

In the event of termination of activity or of the business relationship between the parties, the Supplier undertakes to hand over to Socomore Ireland the tools and means of parts/tools control belonging to Socomore Ireland. Samples from production should be conserved under appropriate conditions in an environment which ensures their longevity, their usability and physical integrity for the duration of the conservation period, defined in advance.

The Supplier must inform its Purchasing contact in advance of any changes (non-exhaustive list) such as:

- administrative and specifications,
- change of supplier

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- change in the manufacturing process/control procedures
- change of raw material and/or ingredient
- change of production site

in order to obtain final validation from Socomore Ireland and thus to pass on any relevant requirements to the entire supply chain.

### **7.0 RESOURCES AND RISK MANAGEMENT:**

The Supplier must ensure that their staff are qualified and able to carry out the operations requested. The competency of staff that implements specialist procedures or carry out tasks that involve monitoring or measuring the Product must be demonstrated through initial and continuous training initiatives. Staff must be made aware of compliance for products and services, safety, security and the environment.

#### **Risk Management:**

The Supplier must set-up a process of identification, of regular assessment and of reduction of the risks likely to affect the industrial process and contractual obligations relative to product quality and the respect of delivery times.

#### **Security management:**

The Supplier must take the necessary measures in order to avoid any misuse of the end product destined for Socomore Ireland (e.g.: security surrounding its installations, storage location and logistical means). Staff must be made aware and trained to detect the presence of foreign products and to dispose of them. The Supplier must implement all initiatives and means in order to avoid the intrusion and presence of illegal products.

#### **Respect of safety:**

The Supplier must identify and eliminate all dangerous working situations and must implement all preventive measures to avoid accidents at work and occupational illnesses.

#### **Respect of the environment:**

The Supplier commits to having environmental processes adapted to its business which allow it to control and reduce the environmental impact of its activities, products and services. The Supplier endeavours to protect the environment and to make every effort in the reduction of its waste materials (solids, waste water, etc.), its atmospheric emissions and to limit its carbon footprint. If the Supplier is subject to Environmental Regulations (Installation Classified for the Protection of the Environment) or the equivalent in other countries, it must have operating authorisation and make sure that it remains compliant to this authorisation. In addition, the Supplier must be in a position to demonstrate that its production activities enable the reduction of the environmental impact of its products and services throughout their life cycle as far as practicable, taking into account factors such as energy consumption, use of materials and treatment at expiration. The Supplier must be in a position to demonstrate manufacturing processes that are environmentally friendly as far as practicable.

#### **Corporate Social Responsibility:**

The Supplier must take into account, in its business and management, the interests of the different stakeholders. Socomore Ireland encourages its suppliers to develop a policy and actions that meet social and environmental stakes.

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### **8. VALIDATION OF THE PRODUCTION PROCESS:**

#### **FAI- Product certification:**

The Supplier must define the appropriate measures for validation of the industrial process for first time manufacturing and compile a First Article Inspection file made up of records justifying the conformity of results, required in relation to the Contract.

The Supplier must reveal classification elements for material sources and in particular, classification elements for special procedures. Special procedures implemented by the Supplier (procedure, the expected results of which cannot be checked by monitoring or measurements), must be identified and are subject to a recorded classification. Any loss, change or suspension of classification is subject to immediate alert. Proof of the classification must be conserved by the Supplier and presented to Socomore Ireland upon request.

#### **Identification and traceability:**

The Supplier will take all the necessary measures to ensure the identification and traceability of the Product. The Supplier will maintain a system of records and document archiving enabling provision along with the delivered Product of:

- the manufacturing history
- any non-conformities or anomalies observed
- the raw materials used and their characteristics (conservation of materials' certificates)
- the exemptions requested and replies given by Socomore Ireland.
- the classification of operators and special procedures (operator accreditation or classification cards, procedure classification files).
- the results of inspections and tests (inspection procedures, measurement or tests, etc.)
- the release documents (statement of conformity, etc.)

#### **Socomore Ireland ownership:**

When Socomore Ireland provides the product for the execution of the order, the Supplier undertakes to use only the product provided and to conserve its identification. The Supplier will inform Socomore Ireland of scrap production in order to finish the order or to initiate repurchasing of the product in question.

### **9.0 PRODUCT PRESERVATION:**

#### **Products provided by Socomore Ireland:**

The products provided should be conserved in their original packaging and the Supplier must ensure their identification and conservation in good condition. An SDS is made available upon Supplier request.

#### **End Products to be delivered to Socomore Ireland:**

The Supplier will provide packaging at its own expense that will preserve the Product depending on its nature and its destination, in compliance with regulations in effect. The delivery documentation must be accessible without tearing the wrapping (glued on the outside).

#### **Storage of Socomore Ireland finished products:**

If the Supplier stores products destined for Socomore Ireland they should be:

- Stored in conditions that ensure their protection from any damage.
- Identified and managed by FIFO (First In First Out)

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### **10.0 SUPERVISION OF MONITORING AND MEASUREMENT PROVISIONS:**

The Supplier must establish a supervision procedure for control, measurement and testing methods. The Supplier must make available to Socomore Ireland, records which prove the attachment of its equipment to standards connected to certified metrology laboratories.

### **11.0 MANAGEMENT OF PRODUCT CONFORMITY:**

The Supplier will carry out the necessary controls and tests, throughout the manufacturing process, in order to ensure the required Product quality.

### **12.0 HANDLING OF NON-CONFORM PRODUCTS:**

The Supplier will have a system for non-conformities and make available all the records related to the execution of the order. Non-conforming Products must be identified and physically isolated from other Products.

#### **Non-conformity detected by the Supplier:**

Any non-conformity in relation to the order must be identified and declared in writing to Socomore Ireland for decision (refusal/exemption). The Supplier undertakes to share the analysis of the cause(s) and the related action plans.

#### **Non-conformity detected by Socomore Ireland:**

Non-conforming Products are reported to the Supplier for analysis of the cause(s) and request for corrective actions. Acknowledgement of receipt of non-conformity must be addressed to Socomore Ireland within a timely manner.

The non-conforming Product can, depending on the decision of Socomore Ireland:

- be accepted as is,
- be returned by freight collect, for replacement or bringing into conformity,
- be declared scrapped,
- be reworked at Socomore Ireland.

Socomore Ireland reserves the right to charge the costs for lack of quality and/or for destruction. Failure to reply will give rise to a reminder and will be taken into account in the performance report of the Supplier.

### **13.0 COUNTERFEITING:**

Socomore Ireland strives to fight against the use of counterfeit Products in the products delivered to its customers. Socomore Ireland also requires that its Suppliers commit to these preventive actions by:

- Setting up processes that aim to identify and report counterfeit Products or those suspected of being so.
- Knowing the origin of all products and materials.
- Replying to requests for information relative to the origin of any material or product used.

The Supplier must inform Socomore Ireland of all risks concerning the delivery of counterfeit products or those suspected of being so.

### **14.0 OBSOLESCENCE:**

For any Product presenting a risk of obsolescence the Supplier undertakes to inform Socomore Ireland in writing, as soon as possible, and to propose a safety measure that enables the naming of a replacement solution. In addition, the Supplier undertakes to implement a process that anticipates future obsolescence and ensures continuous monitoring.

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### 15.0 CONTINUOUS IMPROVEMENT:

The Supplier is expected to implement preventive and corrective actions to avoid any recurrence of non-conformities and to measure the effectiveness of its actions. The Supplier must deal with differences that impact the Product, including its container, and/or the respect of delivery times, using an appropriate RCA (i.e. Root Cause Analysis) method (e.g., 5Why's; Fishbone and 8D). The Supplier must use all improvement opportunities to increase its customers' satisfaction and take into account CSR aspects.

### 16.0 GUARANTEE OF SUPPLY:

The Supplier undertakes to deliver goods in conformity to the order and in particular, guarantees:

- That the Products delivered (including packaging) are in conformity with requested specifications.
- That it will comply with all the laws and regulations in effect, particularly in terms of labelling, health and safety.
- Returnable packaging should be clearly and individually identified by the Supplier.
- That it possesses all the intellectual property rights required for the proper execution of the Contract.
- That all perishable Products must present, upon reception, a minimum shelf life of 80%. Products that don't comply with this rule may be refused.

The Supplier guarantees the goods against any design or material defect, apparent or hidden, (excluding specific mention on the order), and undertakes, during this guarantee period, to repair or exchange the faulty material at its own expense, within the month following the reporting of the defect by Socomore Ireland.

### 17.0 ASSESSMENT AND CERTIFICATION OF SUPPLIERS:

#### Preliminary assessment:

All new Suppliers are subject to a preliminary assessment through the completion of a questionnaire which confers on them a status: Approved or Refused. Assessment is carried out with the Financial, Supply Chain and Quality departments. The final decision is made by the Purchasing department when all details have been taken into account.

#### Performance assessment:

Socomore Ireland may assess performance continuously over the course of deliveries and according to 2 main criteria:

- **OTIF** (On Time In Full): respect of quantities requested and delivery times negotiated
- **Quality**: respect of the quality of Products delivered. The objective and the assessment will be communicated to Socomore Ireland Class 'A' Suppliers at least once per year.

#### Audit:

Socomore Ireland may initiate an audit process in order to verify the aptitude and the ability of the Supplier to meet the expectations required. The Supplier will be notified in writing with exchange of the audit criteria. The date and location of the audit will be decided upon together.

#### Raw materials and packaging Suppliers:

Socomore Ireland certifies a trio: Product - Supplier - Manufacturer. The Supplier will respect the certified source chosen by Socomore Ireland when executing the Order. The Purchase Order may mention the chosen manufacturer. This source alone will be delivered to Socomore Ireland.

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The Supplier must define the provisions for the validation of the industrial process upon first-time supplies and compile a file (e.g.: First Article Inspection, initial samples, Process Control Document, etc.) made up of records justifying the conformity of the expected results in relation to the order.

The special procedures implemented by the Supplier (procedure, the expected results of which cannot be checked by monitoring or measurements) must be identified and are subject to a recorded classification. Proof of the classification must be conserved by the Supplier and presented to Socomore Ireland upon request.

### **18.0 SUPPLIER QUALITY ASSURANCE:**

Having ensured the Supplier or subcontractor's ability to:

- Maintain a level of organisation which fully meets the present requirements,
- Sustain the quality of services or of products provided, in complete respect of contractual requirements,

Socomore Ireland may undertake to 'Delegate Quality Control' to the Supplier with the monitoring of conformity for products or services concerned by the contract (easing the monitoring of products received by Socomore Ireland). The Supplier will be kept informed of the set-up or withdrawal of said Quality Control Delegations.

### **19.0 CONTRACTUAL DOCUMENTS:**

The terms of execution of our requirements are governed by the following documents in descending order of priority:

1. The Purchase Order Form
2. The Socomore Ireland General Conditions of Purchase
3. The requirements relevant to the Supplier
4. The Supplier offer

#### **The Purchase Order Form (PO):**

Orders are made under the terms agreed between the Supplier and Socomore Ireland and are non-revisable during the course of execution. The acceptance of the PO from Socomore Ireland implies unreserved acceptance of the terms herein.

Different types of PO exist:

- PFG-xxx or PFO-xxx - Firm PO: describes the Product ordered, the quantity, sometimes the packaging, and the agreed price, the delivery address, the INCOTERM and the requested delivery date.
- POO-xxx - Open PO: Corresponds to a contract for a particular Product over an agreed period, the global amount requested, at a price and INCOTERM fixed for that period. This PO will be subject to calls for delivery with an indication of delivery dates.

#### **The offer:**

All Suppliers who propose an offer commit to the feasibility, the manufacturing / service, the delivery, the timing and the quality of the Product according to the specifications conveyed.

#### **Acknowledgement of Receipt (AR):**

Document requested and to be communicated within 48 hours of receiving the PO. The Acknowledgement of Receipt reiterates the data on the PO (description of the order, quantity, confirmed timing, agreed price, specific requirements). The Supplier must review the Contract in order to ensure that all the stipulations of the order are respected:

- That it has all the specified documents on the order and of the correct version.
- That it is a position to produce the Product, in every way in conformity to the Contract.

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- That it is able to respect the timing and specified quantity on the order.

Any differences between the stipulations on the PO and the ability to execute the order must be reported in writing and validated in advance by the PO issuer. Failing this, all orders will be considered as accepted.

### **Execution of the order:**

The Supplier undertakes to comply with all the requirements on the PO. In the event of non-compliance, the Supplier must inform the issuer of the PO immediately in order to find the best solution and avoid any impact. The PO must be executed according to all the details specified. The Supplier must review the Contract in order to ensure that all the stipulations of the order are respected:

- That it has all the specified documents on the order and of the correct version.
- That it is in a position to produce the Product, in every way in conformity to the Contract.
- In the Design Brief / Technical Specifications and/or order.
- That it is able to respect the timing and specified quantity on the order.

Any differences between the stipulations on the PO and the ability to execute the order must be reported in writing and validated in advance by the PO issuer. Failing this, all orders will be considered as accepted.

### **Terms of payment and billing:**

The prices and terms of payment are stipulated on the PO. The Acknowledgement of Receipt may stipulate transportation costs, unknown at the time of ordering. It is imperative that the invoice reach us by the 5th of the month following reception and should bear (other than obligatory mentions) in the very least, the following information:

- Socomore Ireland purchase order number.
- Supplier's delivery document number.
- The description of the delivered Product.
- The exact quantity delivered.

Invoices will be submitted for payment following complete delivery of the order, unless otherwise agreed in writing by both parties.

### **20.0 REQUIREMENTS UPON DELIVERY:**

#### **Documents:**

The Delivery document is required in duplicate at delivery. It must be accessible from the outside of the package, along with all the documents requested on the PO (e.g.: conformity certificates, analysis certificates, etc.). The Delivery document should indicate, at the very least:

- The Socomore Ireland Purchase Order number.
- The Socomore Ireland Product reference.
- The description of the Product.
- The Product manufacturer.
- The quantity
- The batch number or manufacturing order if relevant.

Records of controls, conformity statements and other documents specific to the order must be placed in an envelope inside the package.



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### **Product:**

Pallets may be stacked if the packaging and Product are suitable for this. Failing that, instructions should be clear and visibly specified. Upon delivery packaging must retain all its integrity (no impact, soiling, opening, crushing, etc.) and the goods must not have been re-packaged without prior authorisation from Socomore Ireland. In the case of raw materials: The producer's name, the expiry date and the batch number must be indicated, either on the packaging or on the transportation document. All perishable Products must present, upon reception, a minimum shelf life of 80%. Products must be delivered in compliance with legal and regulatory requirements, and in particular products subject to the rules of transportation for dangerous products. Products that do not meet with these requirements will be declared non-conforming, refused and returned at the expense of the Supplier. A replacement may be requested.

### **Product transportation:**

All Products should be transported under optimal conditions, in compliance with applicable regulations for the transportation of dangerous products and using the INCOTERM according to ICC 2010, defined on the Purchase Order and until the defined point of delivery. The transfer of risks and ownership takes place only after quantitative and qualitative reception by Socomore Ireland.

### **21. LIABILITIES AND INSURANCE:**

The Supplier commits to fully supporting any corporeal, material or immaterial damages caused to Socomore Ireland, its representatives, its agents or to third-parties, over the execution of the Contract. The Supplier will take out insurance coverage, more specifically an insurance policy of Professional Civil Liability, with creditworthy companies, in order to cover the consequences of the aforementioned obligations, as well as those of any damages that may occur up until the transfer of risks to Socomore Ireland.

**The Supplier is responsible for the certification of its own suppliers. It must ensure compliance with the regulations in effect and undertakes to pass on the requirements herein, to its subcontractors and suppliers.**

Paragraph	Description(s)	Date	Signature	Revision
All	New Document created across all aspects of Supplier Requirements for Socomore Ireland.	28/08/2019	PDH	1