

# **Supplier Quality Assurance Requirements & Corporate social responsibility company policy**

(ISO 9001:2015, [IATF16949:2016](#), [AS9100D](#)  
Section 8.4, [5.1.1.1](#))

### Revision History

Revision	Date	DCN No	Comments	Approved
1	Dec 2008	-	Initial Issue	AH
2	July 2009	-	Criteria for service performance defined	AH
3	Feb 2013	21	Addition of AS9100C related requirements	AH
4	Nov 2017	DCN 41	Update to reflect new standard requirements	AD
5	Feb 2018	DCN 55	Updates made to better define sub-supplier controls	AW
6	Feb 2019	DCN 103	Premium Freight and Line stops added	AD
7	Mar 2020	DCN 162	Company Logo Updated and retention of records changed for Automotive related documents	SN
8	May 2020	DCN 165	Retention of records changed for Automotive related documents	AD
9	27/08/2021	DCN 211	Wording changed from 'Formaplex' to 'Formaplex Technologies'	DB
10	14/09/2021	DCN213	Corporate social responsibility company policy added	DB
11	08/03/2021	DCN241	Update to section 2.1Supplier Quality Assurance Requirements 2.1.1	DB
12	07/04/22	DCN251	Formaplex Environmental Policy FMD22-625 added to Corporate social responsibility company policy	DB
13	27/06/22	DCN303	Capture CSR's and flow down to suppliers upon nomination & Supplier monitoring review update	DB
14	18/04/23	DCN316	Reviewed and updated risk assessment for development	BW

## ABBREVIATIONS

- AQL** – Acceptable Quality Level  
**IMDS** – International Material Data System  
**NCR** – Non-conformity Report  
**PFMEA** – Process Failure Mode Effect Analysis  
**PPAP** – Production Part Approval Process  
**PPM** – Parts Per Million  
**PSW** – Part Submission Warrant  
**UKAS** – United Kingdom Accreditation Service

## 1.0 PURPOSE

### 1.1 Supplier Quality Assurance Requirements

- 1.1.1 It is the policy of Formaplex Technologies Ltd to fully co-operate with suppliers with the aim to assist and encourage them to achieve a high level of performance in quality, cost and delivery.
- 1.1.2 Supplier performance shall be monitored to identify those that perform well and those that perform less well.
- 1.1.3 Non-conformances will adversely affect Vendor Performance Ratings. Suppliers shall apply this document in full and avoid submitting non-conformances where possible.
- 1.1.4 Any deviations to these requirements should be submitted to Formaplex Technologies Quality in order to assess any effect on Supplier Status. See Section 13 for more information.

### 1.2 Formaplex Technologies Corporate Social Responsibility Policy

- 1.2.1 Our Corporate Social Responsibility Policy is available on our website and refers to our responsibility toward our people, local communities, the environment and the wider world. Our company's existence is part of a bigger system of people, values, other organisations and nature and we operate a continuous process of improvement in every way we work – with our people, our customers, suppliers and the wider community. The social responsibility of a business is to give back to the world just as it gives to us and our Corporate Social Responsibility Policy outlines our efforts in doing just that. For further definition see clause 17.0 of this document.
- 1.2.2 We expect our suppliers to operate within a framework that focuses on continual improvement, waste reduction/elimination, protecting the environment and reducing their carbon footprint.

## 2.0 Scope

### 2.1 Supplier Quality Assurance Requirements

- 2.1.1 This document details the minimum quality management organisation and system requirements expected by Formaplex Technologies of its suppliers, sub-contractors and Stockist/Distributors. As Formaplex Technologies operates primarily within the increasingly demanding aerospace and automotive sectors, suppliers of products and services that effect customer requirements are expected to be accredited to ISO9001:2015 as a minimum with IATF16949:2016, AS9100D or AS9120D as a preference. Formaplex Technologies encourage our automotive suppliers to adopt the industry



recognised standard IATF16949:2016 and to aspire towards certification to that standard.

- 2.1.2 The requirements defined in this document are mandatory and supplement the quality requirements and conditions of the purchase order. In the event of conflict between the requirements of this document and the purchase order, the purchase order requirements shall prevail, unless otherwise agreed with Formaplex Technologies Quality or the Purchasing Manager, in writing.

### **3.0 Supplier Quality Assurance Requirements**

#### **Quality System**

- 3.1 The Supplier shall establish maintain an effective Quality Management System that is compliant with the requirements laid out in this document.
- 3.1.1 It is the Supplier's responsibility to inform Formaplex Technologies of any changes to third party accreditation including lapse, withdrawal or changes of accreditation body or scope of approval and to flow these down to lower tier suppliers.
- 3.2 Formaplex Technologies accepts national and international standards for quality management organisation as meeting requirement for approved supplier status. Typically, ISO9001:2015, AS9100D, AS9120D or IATF16949:2016. To be considered for automotive or aerospace work supplier's accreditation body must be approved by a UKAS accredited body.
- 3.3 The Supplier's Quality Assurance Representative should be directly responsible to a senior executive of the company who is independent of production.
- 3.4 The Supplier shall carry out inspection of all products and services before submitting them to Formaplex Technologies and will certify that all such products and services conform to the requirements of the purchase order. When specified, the Supplier shall submit a PPAP to level 3 for Automotive Parts.
- 3.5 The Supplier shall ensure personnel performing the work have the necessary competence to complete the task and also maintain appropriate training and qualification processes in accordance with their Quality Management System.
- 3.6 Where contractually agreed, Process Control must be established for features on the specifications where key characteristics are identified. The relevant data must be made available on request.
- 3.7 Documentation and records necessary to demonstrate compliance with the requirements of the purchase order will be maintained and made available for auditing by Formaplex Technologies or our customer upon request at reasonable times.
- 3.8 Stockist and Distributors shall include the following records as part of their Quality Management System where applicable:
- i) Manufacturer, distributor, test and inspection reports;
  - ii) Original Certificates of Conformity with mill certificates where applicable;
  - iii) Non-Conformance, Concession and corrective action records;
  - iv) Lot Traceability records;
  - v) Environmental or shelf life condition records.
- 3.9 All documentation must remain legible and readily identifiable.



- 3.10 The Supplier's Quality Representative must have access to all purchase order requirements, drawings, specifications and other related documentation necessary to fulfil their duties.
- 3.11 The Supplier shall ensure that their working conditions and environment are controlled as appropriate in respect to cleanliness, temperature, humidity, ventilation, lighting, space, noise and air pollution.

## 4 New Supplier Selection

- 4.1 New suppliers shall be sent an initial questionnaire (FMD14-071) with a request to complete and return to the Formaplex Technologies Purchasing Team.
- 4.2 Once received back from the supplier the responses on the questionnaire shall be reviewed by the Formaplex Technologies Purchasing and Quality Dept.'s. The questionnaire responses will form the basis of an initial risk assessment on the suitability of the supplier.
- 4.3 Where concerns are highlighted, a supplier audit may be requested, to conduct further assessment of the supplier and their capabilities to be accepted as a supplier to Formaplex Technologies.
- 4.4 Where the questionnaire responses are deemed satisfactory and no other concerns are raised, suppliers certified to ISO 9001:2015 may be approved and added to the supplier list.
- 4.5 Suppliers that do not hold 3<sup>rd</sup> party certification to ISO 9001:2015 will not be considered for business unless they have been approved by our customers and nominated in writing as the source of supply, clearly stating that our customer is happy to use a non-ISO 9001 certified company.

**Note:** *All 3<sup>rd</sup> party certifications must have been carried out by a certification body bearing the accreditation mark of a recognised National/International Accreditation Body, e.g. IATF, UKAS.*

## 5 Evaluation

- 5.1 Formaplex Technologies approved suppliers will be continuously monitored to assess their ongoing suitability by measurement of quality, delivery and service performance. Surveillance audits may be implemented when considered appropriate with adequate notice given.
  - 5.1.1 The general inspection level for incoming parts/materials to be used in final product manufactured by us is set at '**GII**'. Goods-In inspection work AQL FMD23-704 to ascertain the pass/ fail of a part. If a fail is recorded the following applies:
    - A. If defects found but within acceptable quality limits then supplier is contacted for 100% stock sort/swap + issue credit etc. for defective goods found
    - B. If defects found over acceptable quality limits then the above plus 8D is raised
    - C. If defects are found within acceptable quality limits (AQL) but it is a repeat occurrence then same reaction as item B

Minimum expected performance targets are:

**Material Stockists and Services:**

- Max allowed, 1 instance of non-conformance per quarter, no repeat instances in 4 quarters

**Component Manufacture, supply:**

- Quality < 500 PPM or 0.05% defective
- Delivery 90% 1 grace day permitted to allow for booking delays at Formaplex Technologies.
- Service 95% Resolution of disputes, acknowledged 1 day, closed out 21 days. General response to requests for information

5.2 Supplier's performance will be monitored and advised. If suppliers fall below requirements the Supplier will be notified. Supplier approval may be suspended or withdrawn if performance is not improved within agreed time-scales.

Suppliers will be graded based on their overall score as defined in the table below. When placing orders for new business, preference will be given to A & B grades:

Scores	Classification
≥ 90 %	A-supplier
> 80 - < 90 %	B-supplier
< 80 points %	C-supplier
Loss of certificate ISO 9001 and/or IATF 16949	C-supplier*
Audit result (e.g. VDA 6.3) Result "C"	C-supplier* <sup>2</sup>

\* Upgrading according to supplier evaluation after proof of a valid certificate

\*<sup>2</sup> Upgrading according to supplier evaluation after successful post-audit (min. "B")

5.3 The overall grading shall be used to determine the level of risk associated with that supplier and whether further development needs may be required. The table below defines the actions to be applied to those suppliers ranked as Grade B or C.

Overall Grade*	Actions
A	No Action
B	Improvement plan and if necessary, face to face review
C	Improvement plan, face to face review and on-site audit at supplier
Loss of Certificate	On-site audit

*The overall grade will be a determination of the 3 performance measure combined with the grade aligned to the lowest result of each of the 3*

Any Supplier Development/Improvement plans agreed with suppliers shall be monitored by Formaplex Technologies Purchasing and Quality Dept.'s. This will include regular reviews with the supplier who shall provide objective evidence to verify closure of all actions defined within the improvement plans.

5.4 Notwithstanding the above, the supplier is responsible for ensuring the conditions of approval granted by Formaplex Technologies continues to be satisfied, and suppliers shall inform Formaplex Technologies Quality Dept. of any changes.

5.5 Suppliers must inform Formaplex Technologies of any Premium Freight costs.

5.6 If any line stops at customers, are suppliers fault, they will be added to the Supplier Performance Matrix. (Cost may be incurred)



## 6.0 Access

The Supplier will permit reasonable access to their company premises for Formaplex Technologies Quality, Purchasing and Customers if necessary to:

- (i) discuss the terms and conditions of the Purchase Order with the Quality representative;
- (ii) conduct periodic audit and assessment of products, the approved Quality System and supporting activities;
- (iii) source inspections and delegated responsibility assessments;
- (iv) Agree corrective action plans following a reported non conformance.

**Note:** The performance of these duties does not relieve the suppliers of their contractual obligations or responsibilities.

## 7.0 Sub-Contracting/ Supplier Control

- 7.1 The Supplier will not change in part, or as a whole, any product, process or service without the written approval of Formaplex Technologies Quality Dept.
- 7.2 Formaplex Technologies reserve the right to evaluate and audit any 2<sup>nd</sup> line sub-contractor/ supplier. Any such action will not relieve the Supplier of their responsibility to ensure the quality of any product or service obtained.
- 7.3 The Supplier shall ensure all the requirements of this document, associated documents and applicable statutory, regulatory, product and process characteristics are cascaded down the supply chain to and inclusive of point of manufacture. This is particularly important for any customer specific requirements advised by Formaplex Technologies that have been requested by their customers or part of their customer standards.
- 7.4 The Supplier will maintain methods of qualifying and approving suppliers and measuring supplier performance.
- 7.5 Any Supplier who is a stockist/distributor will be responsible for the quality of all products purchased from manufacturers, and must define the necessary actions to take when dealing with manufacturers that do not meet requirements. The stockist/distributor shall also prevent the purchase of counterfeit/suspect/unapproved product.

## 8.0 Raw Material Segregation & Preservation of Product

- 8.1 The Supplier will provide secure facilities, preferably a bonded area, to ensure material is not used until inspected or otherwise verified as conforming to specification. A clear distinction is required between material in quarantine and material accepted for use and waiting issue.
- 8.2 Materials will be controlled in such a manner to prevent loss of batch traceability and incorrect issue throughout the supply chain.
- 8.3 Where material is procured or made specifically for Formaplex Technologies orders, positive steps shall be taken to ensure the designated material and only that material is used on the order.
- 8.4 Materials will be stored and protected in such a manner to prevent damage, deterioration, loss of identification and traceability at all times.



- 8.5 The Supplier shall preserve the conformity of product during internal processing and delivery to the intended destination. Preservation shall include where applicable but is not limited to:
- (i) Cleaning;
  - (ii) Prevention, detection and removal of foreign objects;
  - (iii) Special handling for sensitive products;
  - (iv) Marking/labelling including safety warnings;
  - (v) Shelf life control and stock rotation;
  - (vi) Special handling for hazardous materials.

## 9.0 Traceability

- 9.1 All raw material obtained by the Supplier to meet an order, and all parts incorporated into assemblies which are subsequently supplied to Formaplex Technologies, must be traceable to the manufacturing source and identifiable to the manufactured item.
- 9.2 Traceability must be maintained through all stages of the Supplier's manufacturing process, including the maintenance of inspection and test records.
- 9.3 The Supplier will maintain the identification of the configuration of the product in order to identify any differences between the actual configuration and the agreed configuration.
- 9.4 The Supplier must be able to retrieve a sequential record of its production, including manufacture, inspection/testing for any Formaplex Technologies product.
- 9.5 In the event of a process being sub-contracted, traceability to the 2<sup>nd</sup> tier and inspection/test records must be maintained.
- 9.6 The stockist/distributor processes shall include methods for:
- (i) Maintaining the manufacturer's identification and batch/lot traceability;
  - (ii) The ability to identify trace products manufactured from the same batch of raw material or from the same manufacturing batch;
  - (iii) The ability to trace the product to the ultimate destination (delivery, scrap).
- 9.7 It is important that purchase orders are clear and concise. The order should be raised in accordance with Formaplex Technologies Quality Management System. The receiver shall check the order not only satisfies the needs of Formaplex Technologies but also those of the customer. Customer information must be flowed down in full and where necessary customer specifications must be provided.

## 10.0 Tooling, Gauging, Measuring Equipment Control

- 10.1 All Formaplex Technologies supplied tooling becomes the responsibility of the Supplier whilst in their possession. The equipment must be maintained in a serviceable condition and subjected to an appropriate calibration process where applicable.
- 10.2 All Formaplex Technologies supplied tooling must be returned when requested.
- 10.3 All gauging and measuring equipment must be uniquely identified and calibrated. As sequential record of calibration activities must be maintained that include the results of each calibration activity. Calibration should be traceable to national standards.
- 10.4 Personal equipment used to verify products supplied to Formaplex Technologies must be controlled as stated in para 9.3.





- 10.5 Where calibration status becomes unclear, equipment shall be withdrawn from use until such time as status is verified. Any products shipped to Formaplex Technologies that may have been validated using equipment identified as “out of calibration” shall be advised to the Formaplex Technologies Quality Dept. who will decide on what actions (if any) need to be taken.
- 10.6 The Supplier must ensure that environmental conditions are suitable for all calibrations, inspections, measurements and tests being carried out on site.

## 11.0 Verification of Product

- 11.1 Product must be verified with equipment suitable for the task and accuracy must be commensurate with the tolerance requirements of the part being inspected. In general, any verification equipment should be capable of measuring to 1/10<sup>th</sup> of the tolerance of the feature being verified, i.e. if the tolerance on a feature is +/- 0.1mm the measuring equipment used must be capable of measuring to 0.01mm..
- 11.2 An inspected part must be identified with a number commensurate to the inspection report it relates to.
- 11.3 All dimensions affected by the supplier must be accounted for on the inspection report.
- 11.4 Specific formats for submission of samples may be required from time to time. For aerospace products Suppliers may be asked to inspect, report and present parts in accordance with AS9102. For automotive products, a PPAP submission may be required. Where PPAP is specified it will typically be at Level 3, Formaplex Technologies are happy to discuss other levels with the Supplier on a part by part basis. These requirements will be a condition of the purchase order. At minimum it is expected the following will be included:

PFMEA

Control plan

IMDS submission evidence

Full Dimensional report on 5 parts covering all dimensions and notations

(Capability Study of 25 parts if SC's/CC's specified PPK 1.67)

PSW

Customer Specific requirements, must be adhered to when specified by Formaplex Technologies.

## 12.0 Non-Conforming Product

- 12.1 The Supplier must have a procedure for the control of non-conforming items which must include provision for:
  - (i) Identification of non-conforming products or parts;
  - (ii) Segregation of such material or parts from acceptable items;
  - (iii) Documentation defining the nature of the defect and what remedial/corrective action has been authorised and undertaken. The document must clearly identify the defective item(s) by part and serial/batch number;
  - (iv) Periodic review of product non-conformity;
  - (v) Evidence that appropriate action has been take to prevent recurrence;
  - (vi) Timely reporting of delivered non-conforming product.
- 12.2 The stockist/distributor must ensure with the manufacturer where necessary that supplies are not similarly affected by a non-conformance and shall inform Formaplex Technologies immediately of any non-conforming products already delivered. The



stockist will be responsible for the withdrawal of products from stock that is suspected as non-compliant.

- 12.3 Suppliers are required to acknowledge NCR's and initiate containment within 24 hours and close out NCR's within 21 days. Failure to do so will affect supplier vendor rating.

### **13.0 Production Permit and Concession Application**

- 13.1 Formaplex Technologies policy is to restrict non-conforming parts and hence discourage the submission of Production Permits and Concession Applications for non-conforming materials.

- 13.2 Such submissions may be rejected and any accepted may have an adverse effect on Vendor Rating.

Where necessary requests for permission to deviate from the purchase order, drawing or specification requirements in advance of manufacture (Production Permit) and request to use or release items that do not conform to order, drawing or specification (Concession) are to be made in writing, and authority given by Formaplex Technologies Quality prior to manufacture or delivery.

- 13.3 Please request a concession form and annotate incoming paperwork with the number of the concession/production permit.

### **14.0 Delegated Inspection**

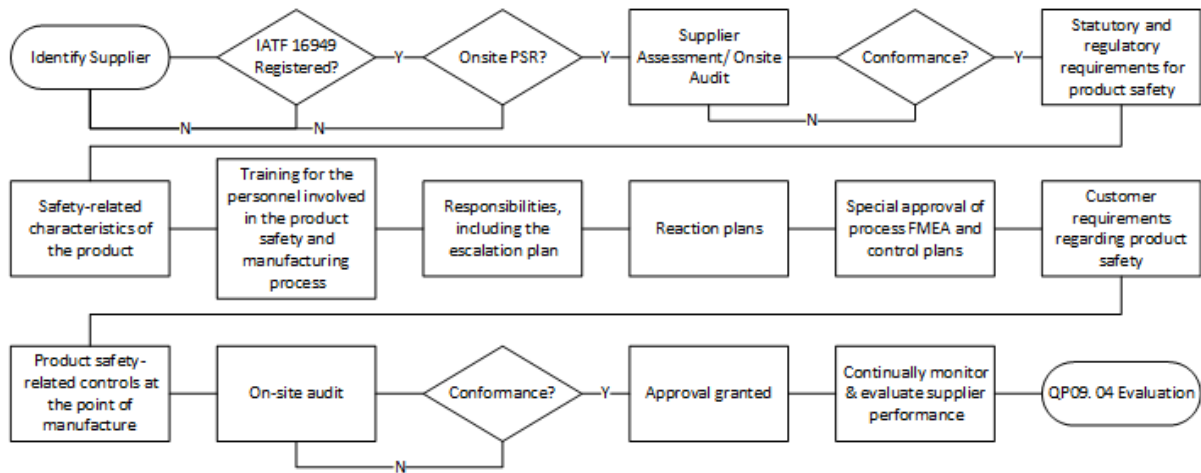
- 14.1 Suppliers may be granted Delegated Inspection Status allowing the supply of product directly to the Formaplex Technologies line or to that of our customers. Granting of this status will be dependent on the Supplier's performance and the agreement of our customers where applicable. Suppliers will be notified if delegated status is available and informed of the mandatory conditions required to achievement and continuity.

### **15.0 Records**

- 15.1 Records associated with Aerospace contracts shall be retained for a period of 30 years and be available on request or within 7 days.

- 15.2 Records associated with Automotive contracts shall be retained in accordance with customer document retention requirements and be available upon request or within 7 days. Automotive document retention periods shall be in accordance with IATF 16949 Clause 7.5.3.2.1, i.e. length of time that the product is active for production and service requirements, plus one year, unless otherwise specified by the customer.

## 16.0 CSR's and flow down to suppliers upon nomination



## 17.0 Corporate Social Responsibility company policy

### 17.1 Policy elements

To be a responsible business that meets the highest standards of ethics and professionalism. Our company's social responsibility falls under two categories: compliance and proactiveness. Compliance refers to our company's commitment to legality and willingness to observe community values. Proactiveness is every initiative to promote human rights, help communities and protect our natural environment.

### 17.2 Compliance

#### 17.2.1 Legality Our Company will:

- Respect the law
- Honour its internal policies
- Ensure that all its business operations are legitimate
- Keep every partnership and collaboration open and transparent

#### 17.2.2 Business ethics we'll always conduct business with integrity and respect to human rights. We'll promote:

- Safety and fair dealing
- Respect toward the consumer
- Anti-bribery and anti-corruption practices



## **17.3 Examples of Corporate Social Responsibility**

### **17.3.1 Protecting the environment**

Our company recognizes the need to protect the natural environment. Keeping our environment clean and unpolluted is a benefit to all. We'll always follow best practices when disposing garbage and using chemical substances. Stewardship will also play an important role.

### **17.3.2 Protecting people**

We'll ensure that we:

- Don't risk the health and safety of our employees and community.
- Avoid harming the lives of local and indigenous people.
- Support diversity and inclusion.

### **17.3.3 Human rights**

Our company is dedicated to protecting human rights. We are a committed equal opportunity employer and will abide by all fair labour practices. We'll ensure that our activities do not directly or indirectly violate human rights in any country (e.g. forced labour).

## **17.4 Proactiveness**

### **17.4.1 Donations and aid**

Our company may preserve a budget to make monetary donations. These donations will aim to:

- Advance the arts, education and community events.
- Alleviate those in need.

### **17.4.2 Volunteering**

Our company will encourage its employees to volunteer. They can volunteer through programs organized internally or externally. Our company may sponsor volunteering events from other organizations.

### **17.4.3 Preserving the environment**

Apart from legal obligations, our company will proactively protect the environment. Examples of relevant activities include:

- Recycling
- Conserving energy
- Organizing reforestation excursions
- Using environmentally-friendly technologies

### **17.4.4 Supporting the community**

Our company may initiate and support community investment and educational programs. For example, it may begin partnerships with vendors for constructing public buildings. It can provide support to non-profit organizations or movements to promote cultural and economic development of global and local communities.

### 17.4.5 Learning

We will actively invest in R&D. We will be open to suggestions and listen carefully to ideas. Our company will try to continuously improve the way it operates. Our company is committed to the United Nations Global Compact. We'll readily act to promote our identity as a socially aware and responsible business. Management must communicate this policy on all levels. Managers are also responsible for resolving any CSR issues.

### 17.4.6 Sustainable resources management and waste reduction (Environmental Policy FMD22-625)

Formaplex Technology recognises the importance of environmental protection and is committed to operating its business responsibly and in fulfilment of its compliance obligations. It is Formaplex Technologies' declared policy to operate with and to maintain good relations with relevant regulatory bodies. It is Formaplex Technologies' objective to carry out all necessary activities, to protect the environment and to continually improve the Environmental Management System through implementing the following:

- Assess and regularly re-assess the environmental effects of the organisation's activities
  - Training of employees in environmental activities
  - Minimise the production of waste
  - Minimise material wastage
  - Minimise energy wastage
  - Promote the use of recyclable and renewable materials
  - Prevent pollution in all its forms
  - Control noise emissions from operations
  - Minimise the risk to the general public and employees from operations and activities undertaken by the organisation
  - Monitor water quality, consumption and ensure a zero process water to drain.
  - Responsible Chemical management.
- Top management demonstrates leadership and commitment with respect to the Environmental Management System by:
- Taking accountability for the effectiveness of the Environmental Management System
  - Ensuring the Environmental Policy and Objectives are established and are compatible with the strategic direction and context of the organisation
  - Ensuring the integration of the Environmental Management System requirements into the organisation's business processes
  - Ensuring that the resources required for the Environmental Management are available
  - Communicating the importance of effective environmental management and of conforming to the systems requirements
  - Ensuring the Environmental Management System achieves its outcomes
  - Directing and supporting employees to contribute to the effectiveness of the Environmental Management System.
  - Promoting Continual Improvement
  - Supporting other relevant management roles to demonstrate their leadership as it applies to their areas of responsibilities.

This policy is communicated and made available to all employees and other interested parties. This policy is regularly reviewed in order to maintain continuing suitability.