Aerco Company Management System Manual

Issue 23

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1.0 About Aerco Limited

1.1 Company History

Aerco Ltd was formed in 1956 by Bill Laughton. He had been trained as an Aircraft Radio Engineer by the RAF and had been working at Gatwick (before it was the international airport it is now) on various aircraft flown by the early commercial freight and passenger operators working from there.

When he decided he'd rather work for himself he rented a small workshop in Horsham, West Sussex and began taking on similar work for those operators and others and the business flourished and developed from there.

After some years the technologies changed and there was little requirement for that work because all aircraft came with the radio equipment already installed. Bill decided to adapt the business to become a stockist of the kinds of electrical components he had been working with. He developed this idea over years and the business became a franchised distributor of electrical components serving not only the aircraft market but also other equipment manufacturers, notably defence.

As Bill approached the age of 70, he suggested to his son Rob, that he might take an interest in helping to manage Aerco; leaving a career in IT and marketing, Rob was happy to help. His first job was to introduce computers to the operation! A couple of years later he decided that he should take over management of the business and his wife and (then young) family moved to West Sussex.

Now 20 years later, Rob is still engaged at Aerco as managing director, with his wife Fiona and son Harry all involved. Aerco employs about 50 people, and we continue as a stockist and distributor of electrical components, supplying manufacturers and service companies within the aerospace, defence, medical, industrial, rail and transportation markets both in the UK and throughout the world.

Aerco maintains franchised partnerships with world-class manufacturers to make Aerco the ideal partner for Supplier Reduction Programmes. Our product range includes a wide range of electro-mechanical products.

Aerco's long experience enables customers to benefit from the product knowledge we have of components manufactured by franchised suppliers, minimising the effort in product selection for our customers' design engineers.

When Bill Laughton first transformed the business from radio engineering to a component stockist the very business model of "distribution" in the supply chain was a novel idea. Industry is now completely adjusted to the benefits of fast delivery from stock and being able to focus procurement on a small number of nimble suppliers. It has been our concentration on these benefits which has enabled Aerco to continue to provide service to its customers and this continues to be Aerco's mantra and is summarised in Aerco's Mission Statement.

1.2 Mission Statement

Helping manufacturing companies reach their goals
by supplying technical expertise and components on time.

1.3 Aerco Today

Based at Units 10, 16 & 17 Lawson Hunt Industrial Park, Broadbridge Heath, Horsham, West Sussex, RH12 3JR, (with an additional storage at Unit 8 Graylands Estate, Horsham) Aerco are a specialist stockist, approved distributor, and assembly distributor of electrical, electro-mechanical, electronic components, cable and wire together with associated hardware and materials.

Aerco purchases products with and without lot traceability from approved sources, holds them in stock under a continuous stocking policy, splits products into smaller quantities, assembles products and kits components as required for Customers. Products are supplied with appropriately certified release documentation as required by the customer and within the scope of Aerco's AS9100 \ AS9120 \ ISO9001 Quality Management System (QMS).

Able to provide additional value adding services such as conducting inhouse assembly and test of electro-mechanical components to customer defined specifications, including manufacturer approved franchise assembly of a range of circular and rectangular electrical connectors, these are released and certified against the scope of Aerco's ISO9001 QMS System certificate.

For a defined range of products that have been introduced following the procedure OP054 New Product Assembly Build Introduction; these products can be released and certified against the scope of Aerco's AS9100 QMS certificate. A list of product ranges covered by this process and eligible for AS9100 release is maintained in CF254 - Products that can be offered with AS9100 Release.

Aerco are also approved by global safety certification company Underwriters Laboratories (UL) to maintain the UL certified marks when respooling cables, allowing supply of the exact length the customer needs, whilst ensuring the product approval traceability is maintained.

1.4 Company Values

Aerco has defined its core values below; these are reviewed and subject to change but ultimately remain the backbone to the continued success of the business.

- **Finance** - The company provides excellent financial performance to enable the business to flourish.

- **Customer Relations** - Aerco delivers excellent person-to-person Customer Service to the customers that seek this, and effective and efficient interaction via their computerized interfaces when these are required. The Customer Perception of Aerco is in alignment with the above

- **Supply Chain** - Aerco seeks maximum reliability and responsiveness from our supply chain, which includes our internal Production team. We expect the right product at the right price at the right time.

- **Product and Services** - Because Franchised distribution provides greater barriers to competition than brokered sourcing a minimum of 60% of our orders booked value is for Franchised products. Aerco constantly seeks to acquire new profitable franchises and enhance the profitability of existing franchises. Aerco's Franchise suppliers perceive that Aerco adds value to their business as well as ours. The whole market is aware of the products and services available from Aerco.

- **Safe and Secure** - The business is safe and secure for employees, shareholders, our customers and suppliers and for the greater community. Potential risks (including H&S, externally caused disaster, accidental or deliberate breach of regulations) are identified, protected against, and mitigated. IT systems deliver reliable and efficient support to our activities and are resilient to attack from outside or internal actions.

- **Teamwork** - As called for in the Mission Statement, Aerco invests in people and training to stimulate and sustain an energetic and enthusiastic atmosphere. Operational procedures are constantly developed to achieve efficient processes. The company delivers on its corporate social responsibility and staff believe that Aerco shares duties and rewards fairly.

- **Compliance & Improvement** – Aerco will endeavor to comply with all relevant legislation, protecting the company and our people and with the requirements of the International and Industry-specific Management System Standards that Aerco holds certification for, Customer approvals and other industry related schemes. We drive the business to identify risks, take the customer's view, review our performance and to set objectives and targets, to improve our efficiency and effectiveness, making our business stronger and contributing to making today better than yesterday.

1.5 Supplier Relationships

A key element of Aerco's business model is to represent its Manufacturing Suppliers, acting as their Franchised distributors. Often these Manufacturing Suppliers are global organisations, offering Aerco the opportunity to use its stockist/distributor status to serve its territory Customer base. The Manufacturer has the upper hand in this relationship, and typically has multiple non-exclusive Distribution Agreements in territories around the World.

This means Aerco does not have the normal "Customer – Supplier" leverage to demand and drive actions and improvement if the supplier is performing poorly. Aerco is not in a position easily to walk away or switch supplier. Instead Aerco must seek to manage the supply chain, including provision of contingency action to provide a buffer between the Manufacturing Supplier and the Customer, whilst working to foster agreement across the partnership to mutually improve.

Customer requirements are reviewed prior to accepting the customer's purchase order, in accordance with Aerco's Terms and Conditions of Sale. An amalgamation of Customer and Aerco's requirements are communicated to Aerco's suppliers in Aerco's Supplier Quality Requirements SQR01 document and SQR02 for Commercial Suppliers, alongside any instructions on the purchase order.

2.0 The Aerco Company Management System

The Aerco Management System is based on three elements: Systems, Corporate Social Responsibility and People. This builds on Aerco's Quality Management System and sets a road map for the integration of the sub-elements to meet Aerco's ongoing Compliance and Continuous Improvement needs, in accordance with Aerco's Business Plan and the requirements of its Interested Parties.
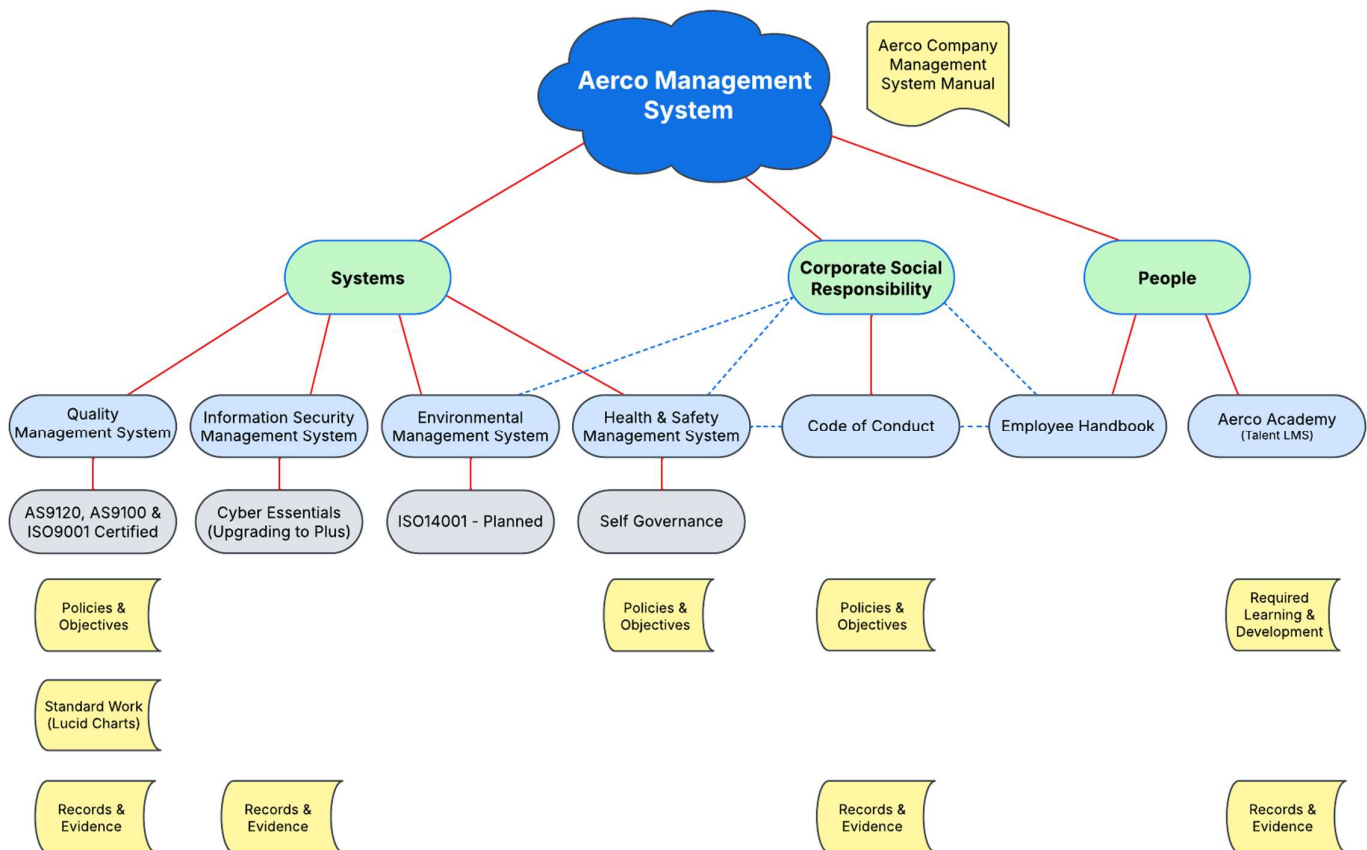
Aerco has created documented standard work, typically as process flowcharts for its operational and support processes within the Systems element of the Aerco Company Management System. These use the cloud-based system Lucid Chart and are accessible to staff via Aerco's SharePoint intranet site Aercopedia. This is further supported by Intact IQ's (Aerco's ERP system), design and use.

Aided by these visual flowcharts, with hyperlinks to other reference documents and information, the interaction of processes provides products and service that meets Customer's expectations, applicable statutory and regulatory requirements and aligns with the company's Mission Statement and Objectives. These are used to standardize activities, providing consistent outputs and a point of reference for training and continuous improvement and the prevention of nonconformity.

Aerco has determined the external and internal issues relevant to its purpose and strategic direction, the interested parties and their requirements, and Aerco's ability to achieve the intended results of its Company Management System. This is presented within Aerco's Business Plan, which is reviewed regularly to address any changes in the external and internal issues, and opportunities as part of the Management Review.

Risk based thinking is demonstrated throughout the company's operations and where possible system design is used to standardize and eliminate risk. The Business Plan includes a Risk Assessment, considering internal and external issues, and prioritizes using a Risk Priority Number. Mitigation of risks (and acting upon opportunities) takes the form of setting Company Objectives at departmental level and relevant Key Performance Indicators to measure performance.

2.1 Aerco's Business Operation Process Map

A top-level overview of Aerco's business operation is shown in the diagram below and identifies the processes within the Process Effectiveness Assessment Reports, required for AS9100/AS9120 QMS certification.

Aerco Limited's Top Level Business Process
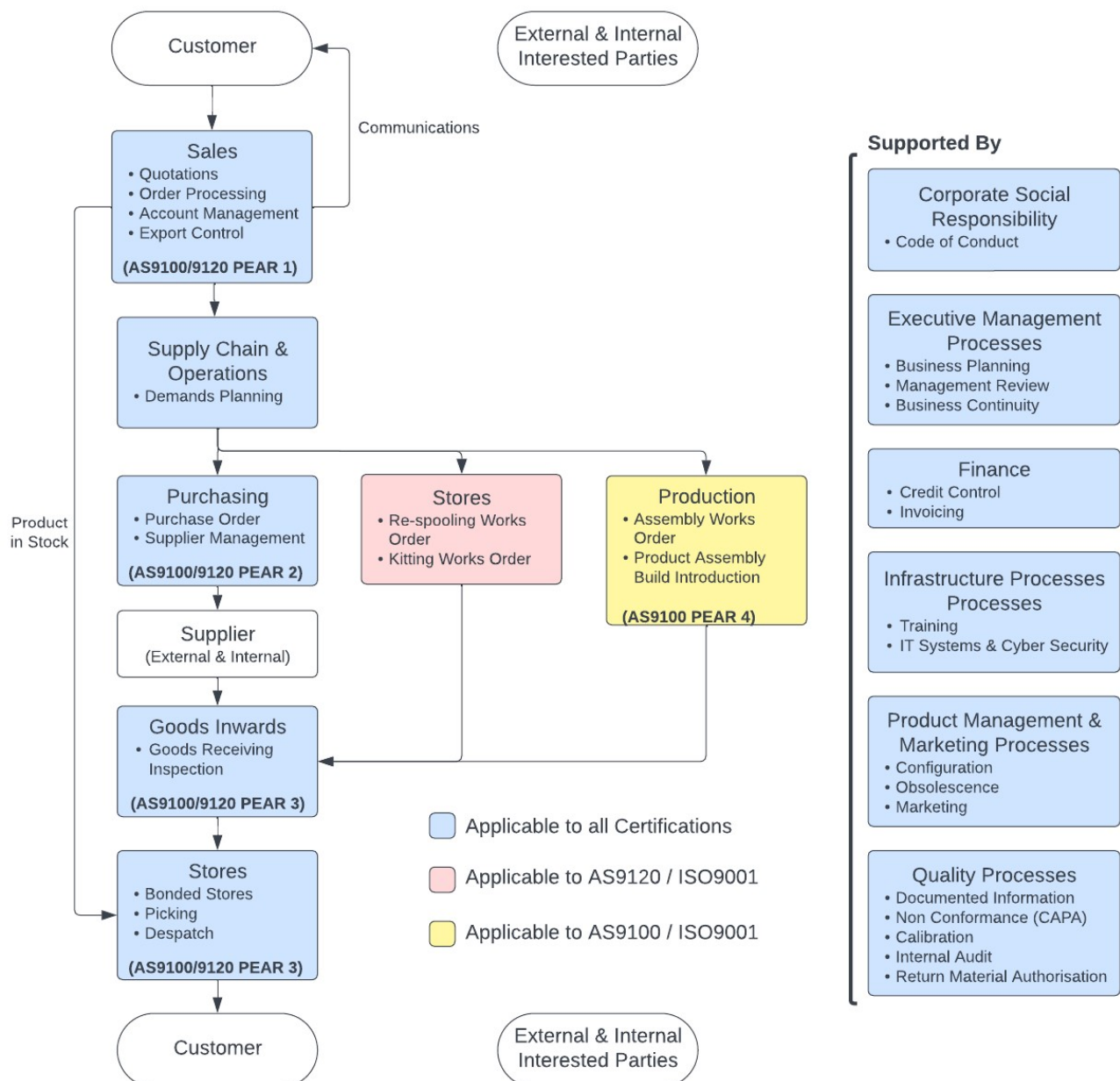
3.0 Systems

3.1 Scope of Aerco's Quality Management System (QMS)

Unit 16 & 17 Lawson Hunt Industrial Park (AS9100, AS9120 & ISO9001)
The stockholding, supply and kitting of electrical, electro-mechanical and electronic components, related accessories including cut-to-length cables from approved sources with and without traceability; all for the aerospace, defence and space, transportation, medical, energy and industrial sectors.

Franchise Assembler for connectors and components, where appointed by the manufacturer and assembly and test of electro-mechanical components to customer defined requirements; all for the aerospace, defence and space, transportation, medical, energy and industrial sectors.

Unit 10 Lawson Hunt Industrial Park and Unit 8 Graylands Industrial Estate (AS9120 & ISO9001)
The stockholding of electrical, electro-mechanical and electronic components, related accessories including cut-to-length cables from approved sources with and without traceability; all for the aerospace, defence and space, transportation, medical, energy and industrial sectors.

3.1.1 Quality Management System Exclusions
The scope of Aerco's QMS does not include the following clauses of AS9100, AS9120 and ISO9001, as Aerco does not currently undertake any Design activities for the Products and Services that it supplies: -
8.3 Design and Development of Products and Services.
8.5.5 f. Collection and analysis of in-service data (e.g. performance, reliability, lessons learnt.
8.5.5 g. Control, updating and provision of technical documentation relating to product use, maintenance, repair and overhaul.
8.5.5 h. Controls required for work undertaken external to the organization (e.g. off-site work)

3.1.2 AS9100 QMS Production & Product Release
The scope of the AS9100 QMS encompasses the activities already covered by AS9120 and ISO9001 but also Aerco's franchise assembling distributor activities, where appointed by the manufacturer, and the product is to be released against AS9100 QMS certification.

Products released against AS9100 QMS Certificate shall be introduced following the documented New Product Assembly Process Introduction procedure OP054. A list of product ranges covered by the AS9100 QMS is maintained in CF254 - Products that can be offered with AS9100 Release.
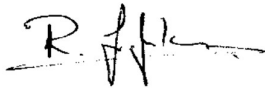
3.2 Aerco's Quality Policy

Aerco Ltd is committed to consistently providing products and service levels that meet the requirements and expectations of our customers. We will actively pursue programs to continually improve the effectiveness of our quality management systems.

The Quality Policy is consistent with the Aerco Ltd Mission Statement and forms the basis for providing the framework for setting quality objectives and meeting regulatory and customer requirements.

The Quality Policy is reviewed at the Quality Management Review meetings to determine the policy's continuing suitability and effectiveness, addressing continual improvement and client satisfaction.

This policy is approved by the Managing Director (undersigned) and is supported by all the levels of management within Aerco Ltd,

Signed: Date: 12/02/2019 (reviewed annually)

        R Laughton – Managing Director
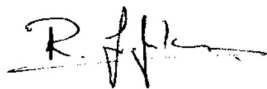
3.3 Aerco's Environmental Policy

Aerco Ltd is committed to complying with all relevant environmental legislation and reducing the harmful effects its operations, products and services supplied to our customers have on the environment.

By evaluating our operations to minimise waste and by ensuring they are as efficient as possible, we take responsibility in our use of natural resources and actively promote recycling.

Aerco Ltd measure and set targets for continually reducing the impact our organisation has on the environment and will encourage the adoption of similar principles by our suppliers.

This policy is approved by the Managing Director (undersigned) and is supported by all the levels of management within Aerco Ltd.:

Signed: Date: 21/3/2018 (reviewed annually)

R Laughton – Managing Director

3.4 Aerco's Health & Safety Policy

The Managing Director has ultimate authority and responsibility in relation to the health and safety topics and through the Directors and Management team, is responsible for:

- assessing the risk to the health and safety of employees and others who may be affected and
- identifying what measures are needed to comply with our health and safety obligations
- providing and maintaining a healthy and safe workplace, with equipment and systems of work that are safe and without risks to health
- ensuring all necessary safety devices are installed and maintained on equipment
- providing information, instruction, training and supervision in safe working methods and procedures
- promoting the co-operation of employees to ensure safe and healthy conditions and systems of work by discussion and effective joint consultation
- establishing emergency procedures as required
- monitoring and reviewing the management of health and safety at work
- keeping the health and safety policy under review and making any revision it deems necessary, bringing such revisions to the attention of employees.

This policy requires the full co-operation of all employees, who are expected to give all possible assistance to its successful implementation, taking reasonable care for their own safety and that of others.
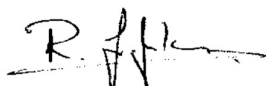To achieve this end, employees must:

- comply with any safety instructions and directions issued by the company
- take reasonable care for their own health and safety and the health and safety of others (e.g. other employees, contractors, customers, workmen, etc.) who may be affected by their acts or omissions at work, by observing safety rules which are applicable to them (including but not limited to our alcohol and drug policies)
- co-operate with the Directors and Managers to ensure that the aims of the health and safety policy statement are achieved and any duty or requirement imposed on the business by or under any of the relevant statutory provisions are complied with
- report and co-operate in the investigation of all accidents or incidents that have, or may lead to injury
- use equipment or protective clothing provided in accordance with any training received
- report any potential risk or hazard or malfunction of equipment to the appropriate authority

Any failure to comply with any aspect of the company health and safety procedures, rules or duties specifically assigned to the employee relating to health and safety may be viewed by the business as misconduct which will be dealt with under the terms of the company's disciplinary procedure.

Although the final level of responsibility for ensuring health and safety at work lies with the Directors, each employee also has a responsibility for their own health and safety and that of others.

All employees are responsible for the implementation of the health and safety policies in their work areas and must observe all safety rules and co-operate with the Directors and Managers to achieve a healthy and safe workplace to take reasonable care of themselves and others.

Signed:　　　　　　　　　　　　　　　　　Date: 23/04/2025 (reviewed annually)

R Laughton – Managing Director

4.0 Corporate Social Responsibility (CSR)

Corporate Social Responsibility (CSR) refers to the way businesses regulate themselves to ensure that all their activities positively affect society as a whole. CSR policies aim to guarantee that companies work ethically, considering human rights as well as the social, environmental, and economic impacts of what they do as a business; often referred to as the 3 P's.
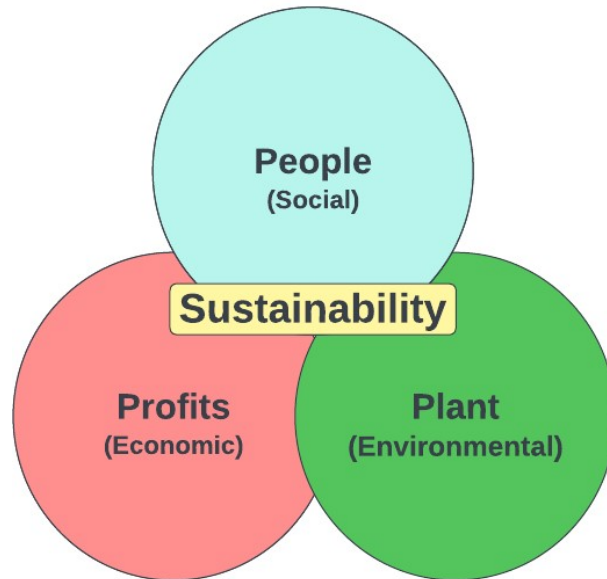
Businesses should meet, and aim to improve on, any relevant legislation, and if legislation does not exist in a particular area, should ensure they carry out best practices.

CSR has become an important focus for businesses in all industries. People and businesses alike are making more conscious decisions when it comes to choosing which businesses to work with or support. Customers, clients, investors, and employees want to see businesses prioritising the welfare of their workforces and any other people who might be affected by their operations, either directly as employees or indirectly as part of society and the environment.

Businesses need to meet their primary objective to be successful, however this must not be at the expense of operating in an ethical, responsible manner. Embracing a CSR Culture brings cost savings; for example: -
- staff wellbeing and development; increasing skill levels, engagement and staff retention,
- improved morale and better-quality of work,
- better risk management,
- initiatives to reduce waste, bringing cost savings.
- winning business from Customers that value CSR throughout their Supply Chains,
- social media and marketing opportunities to share how the business gives back.

Aerco Limited recognises its responsibility and is committed to ensuring that its business undertakings are conducted ethically, that the social impact of Aerco's operations is positive and its negative environmental impact is minimised.

Aerco has formulated this within this Code of Conduct CSR001 to guide employees and communicate this to Customers, Suppliers, and other interested parties.

5.0 People

Aerco recognizes that its employees are key assets to the business; the knowledge and experiences that they bring and their dedication and motivation to make Aerco successful, working within a pleasant and rewarding environment.

Managing Director's Rob Laughton, Fiona Ayres and Harry Laughton are fully committed to developing our employees' potential and believe all employees should have an equal opportunity for advancement and training.

5.1 Employee Handbook

The Employee Handbook outlines the company's policies and procedures relevant to its employees; this is accessible to staff via Aerco's SharePoint intranet site Aercopedia.

5.2 Aerco Academy

Aerco Academy is a cloud-based Learning Management System (Talent LMS), that is being established to deliver required learning and maintain employee training records. It is an essential tool used to support the delivery of technical expertise, as called for in the mission statement.

Health & Safety, job and product specific based; compliance and awareness training can be managed through self study, external training provider, instructor led and demonstrated competence against Standard work, can all be delivered using this application and skills matrices automatically updated.