



SQR01 - Supplier Quality Requirements

Summary

This document details additional Supplier Quality Requirements applicable to Aerco Limited (hereon referred to as Aerco) Purchases Orders when this document is invoked.

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1. Scope

When this document is invoked, the following supplier quality requirements are applicable to Aerco Purchase Orders in addition to any other release clauses identified on the Purchase Order.

2. Quality System

The supplier shall maintain an independently certified Quality Management System meeting the requirements of ISO9001 standard, plus the additional requirements of this document.

3. Non-Conforming Product

The Supplier must have documented procedures for managing product/process deviations and for non-conforming material (including suspected counterfeit and counterfeit) identification, control, disposition, and disposal. Suppliers are not authorized to proceed with a product or process deviation and/or disposition non-conforming product to Aerco unless in receipt of written approval from Aerco's Quality Manager.

Acceptance of noncompliant products and services shall be at the sole discretion of Aerco. The approval of concessions shall not constitute a precedent to accept similar noncompliant product in the future. Under no circumstances shall a supplier ship product to Aerco until the supplier has received formal written approval of the submitted concession.

4. Notification of Changes

Suppliers will immediately notify the Aerco Buyer in writing of the following changes:

- a) Change in location of facilities, product and / or process definition, supplier or manufacturing equipment. Notification must be prior to relocation and with adequate time for hardware, system, and process re-qualification.
- b) Change in ownership, name changes, or change in senior company management.
- c) Change in, system or controlled processes certification status, including suspensions or disapprovals. Supplier shall notify the Aerco Quality Manager by email qualitymailgroup@aerco.co.uk within seven (7) days of change. Failure to notify Aerco Quality could result in business suspension or exit.

5. Retention of Records

The Supplier shall retain objective evidence of conformance to Aerco's Quality requirements for each shipment. Objective evidence includes but is not limited to, all test and inspection records associated with the verification of compliance to the purchase order requirements.

The required evidence shall be retained by the Supplier for a minimum period of 10 years after delivery. The objective evidence shall be made available to the Aerco Buyer or Quality Manager upon request.

Examples of Quality Records to be retained are but not limited to:

- First Article Inspection reports
- In process / final inspection & test records
- Training records
- Manufacturing / fabrication records (e.g., planning sheets, routers)
- Procurement documents (supplier placed orders)
- Process control records (used as acceptance criteria)
- Receiving inspection records (e.g., supplier C of C's, test reports and material certifications) including evidence of traceability to source.

6. Traceability to Source

Where full traceability to source is specified on Aerco's Purchase order, the Supplier must be able to trace the product supplied, via their batch / Lot identification back through their supply chain as necessary to the source material used in the product's manufacture e.g. to the mill certificate for the metal and the batch of rubber or adhesives, sealants used etc.

The Batch / Lot identification shall be recorded on any accompanying material certification, for each part of the supply chain back to source and visible on the product packaging / label or the product itself.

Aerco are however aware that some of its Suppliers' systems prevent the LOT/Batch traceable references from being printed on their Certificates of Conformity, although are still able to provide Full traceability to source. In these cases, Aerco Limited require the additional Supplier Traceability Declaration CF210 to be completed to affirm this.

7. Right of Access

Aerco, including its Customers, Regulatory Authority and/or Government Inspector shall upon reasonable notice, have right of access to enter any works, warehouse, or other premises under the supplier's control for the purpose of QMS compliance verification, investigations, surveillance or inspection of any records, tools, or materials procured or used for the manufacture of the goods or process of manufacture on the completed goods themselves before dispatch.

This right shall be flowed down to the Supplier's lower tier suppliers.

8. Counterfeit Parts Prevention

OEMs, Suppliers or Brokers must have a counterfeit parts prevention program in accordance to either AS5553 (OEM/OCM) or AS6081 (Distributor) Counterfeit Avoidance Schemes. This is a contractual requirement and must be conformed with.

The controls required are 1) the prevention of delivery of counterfeit parts, 2) the control any parts suspected as being or identified as being counterfeit, and 3) acquiring product from original or authorised manufacturers, their authorised distributors, or other approved sources.

The OEM/Supplier must immediately notify Aerco of any suspected counterfeit or counterfeit components affecting Aerco Purchase Orders.

All occurrences of counterfeit parts shall be documented and result in the Supplier being suspended from the Aerco ASL (Approved Supplier List) pending review. ERAI and relevant law enforcement governing bodies will be informed as appropriate.

9. F.O.D Control

The supplier shall establish and maintain a program to control FOD (Foreign Object Debris) and /or contamination during the suppliers manufacturing, assembly, test & inspection operations.

10. Flow down of Requirements

The Supplier shall ensure that all applicable requirements of Aerco's Purchase Order and this document are flowed down to its permitted suppliers at any tier. The Supplier shall ensure that the product delivered to Aerco conforms to all specifications, drawings, third party quality standards (e.g. AS9100, etc.), Government procurement regulations, Public Laws and other requirements as maybe specified in the Order.

11. Staff Awareness

The supplier shall ensure the competence of staff conducting work to fulfil Aerco's Purchase Order, including any required qualifications of persons; and are aware of their contribution to product and service conformity, product safety and the importance of ethical behaviour.

12. Anti-Bribery and Corruption

Aerco has a zero-tolerance policy towards bribery and corruption and is committed to acting fairly and with integrity in all its business dealings and relationships.

Aerco has implemented and enforces effective policy and systems to counter bribery in the Company's conduct both in the UK and abroad, based on UK legislation's Bribery Act 2010.

Aerco recognises that industry practices may vary from country to country or from culture to culture. What is considered unacceptable in one place may be normal or usual practice in another. Nevertheless, a strict adherence to this requirement is expected to be flowed down to all tiers of the Supply Chain.

If in doubt as to what might amount to bribery or what might constitute a breach of this Policy, this must be referred to Aerco.

13. Anti-Slavery and Human Trafficking

Modern slavery is a crime and a violation of fundamental human rights. It takes various forms such as slavery, servitude, forced and compulsory labour and human trafficking, all of which involve the deprivation of a person's liberty by another to exploit them for personal or commercial gain.

Aerco has a zero tolerance to approach to any form of modern slavery and human trafficking and all forms of corruption and bribery directly and indirectly associated with these criminal acts. We are committed to acting ethically and with integrity, respecting and supporting compliance with human rights, including but not limited to the UK Modern Slavery Act 2015.

Aerco flow down this expectation on its suppliers requiring them to conduct suitable due diligence in their supply chain to support our compliance and that of our customers. Should Aerco become aware of a supplier not in compliance with the Act, they will be removed from our approved Supplier list forthwith.

14. Conflict Material

Conflict Materials refers to raw materials or minerals that are extracted from conflict regions, or areas of the world experiencing systemic violence and unrest. Due to various laws, it most frequently applies to tin, tungsten, tantalum, and gold (3TGs) mined from the Democratic Republic of the Congo (DRC) and its adjoining regions. The lack of government oversight in these regions means the population is vulnerable to exploitation by armed groups, which can profit from the mining of the minerals.

Aerco promotes traceability of the supply chain but does not have visibility into the country of origin of the raw materials used in the products manufactured by its supply chain. Component information can only be obtained directly from the component manufacturer subject to their disclosure.

Consequently, Aerco flows down this requirement to its Suppliers to only source minerals and components from responsible sources and is committed to not directly or indirectly abetting armed conflict and human rights abuses.

As guided by the UK Government, Aerco instructs its suppliers whose supply chains involve any of the conflict minerals listed above to implement the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

For any materials identified as having been used in product supplied, Aerco expects the Supplier to immediately notify us with batch and order details.

15. REACH

Products supplied to Aerco must conform to the latest version of the EU / UK REACH directive. Some businesses may now have new duties under UK REACH to those they had under EU REACH and so should consult <https://www.hse.gov.uk/reach/about.htm> for the latest information.

Aerco's Customers rely on Aerco to give them accurate information about REACH compliance for the products we supply them. Consequently, Aerco require that the REACH status must be identified on the Certificate of Conformity / Advice Note supplied with the product by their Suppliers, particularly where this changes from batch to batch.

When not in compliance, all relevant information for articles that contain Substances of Very High Concern SVHC's, above the 0.1% by weight, must be stated on the Certificate of Conformity / Advice Note, identifying the substance by name and CAS number, and be supplied with any relevant Safety Data Sheets with sufficient information to allow their safe use.

As the REACH Regulation is expected to be continuously updated, Aerco's Suppliers (including original equipment / component manufacturers have the responsibility to verify that they have the latest version of the Restricted Substances List <https://echa.europa.eu/it/substances-restricted-under-reach> and make information available to its customers

16. RoHS

The Restriction of Hazardous Substances directive (RoHS), 2002/95/EC was implemented in July 2006 and has subsequently been revised and re-issued, each time adding new substances. For the latest information <https://www.gov.uk/guidance/rohs-compliance-and-guidance#where-to-find-out-more>

The legal responsibility for ensuring that end products that are subject to the Directive meet the regulations lies with the manufacturer of those products, where these are manufactured in the EU and UK.

When the parts are manufactured outside of the EU / UK the legal responsibility rests with the importer of that product into the EU / UK, e.g., if Aerco is purchasing and importing parts from sources outside the EU / UK the legal responsibility for establishing compliance rests with Aerco.

Aerco's Customers rely on Aerco then, to give them accurate information about RoHS compliance for the products we supply them. Consequently, Aerco require that the RoHS status must be identified on the Certificate of Conformity / Advice Note supplied with the product by their Suppliers, particularly where this changes from batch to batch.

When not in compliance, name of the substance must be provided, and the product be supplied with any relevant Safety Data Sheets with sufficient information to allow its safe use.