

# QUALITY PURCHASING GENERAL REQUIREMENTS

- 1 - CHOICE OF SUPPLIERS .....2
  - 1.1 Assessment and selection of suppliers .....2
  - 1.2 Insurance policy .....2
  - 1.3 Cost .....2
  - 1.4 Lead time respect .....2
  - 1.5 Innovation .....2
  - 1.6 Communication .....2
  - 1.7 Invoicing .....2
  - 1.8- Corporate Social Responsibility .....3
- 2 - THE DELIVERY OF THE FIRST PARTS AND INITIAL SAMPLES: .....3
  - 2.1 Purchasing Specification .....3
  - 2.2 Prototypes .....3
  - 2.3 Presentation of initial samples .....3
  - 2.4 Presentation of initial samples (procedure 33) .....4
  - 2.5 Acceptance of initial samples (procedure 33) .....4
- 3 –MASS PRODUCTION DELIVERIES .....4
  - 3.1 Process control .....4
  - 3.2 Type and depth of the control of external services .....4
- 4 – LOGISTICS .....4
  - 4.1 Acknowledgement of receipt .....4
  - 4.2 Deliveries .....4
  - 4.3 Handling unit .....5
  - 4.4 Packaging unit .....5
  - 4.5 Identification .....5
  - 4.6 Unloading .....5
  - 4.7 Safety .....5
  - 4.8 Evaluation of the logistics performance .....6
  - 4.9 Traceability .....6
  - 4.10 Logistics treatment following a Quality non-compliance .....6
- 5 – PERFORMANCE FOLLOW-UP .....6
- 6 – SUPPLIER RESPONSIBILITY .....7
  - 6.1 Non-conformity advice .....7
  - 6.2 Confidentiality .....8
  - 6.3 Audit / Access right .....8
  - 6.4 Market stop .....8
- 7 – MANAGEMENT OF MODIFICATIONS .....8
  - 7.1 System modification .....8
  - 7.2 Process modification .....8
  - 7.3 Product modification .....8
  - 7.4 Logistics modification .....8
- 8 – CONTINUOUS IMPROVEMENT .....8
  - 8.1 Quality and costs .....8
  - 8.2 Solid products .....9
- 9 – SAFETY AND REGULATIONS .....9
- 10 – SUSTAINABLE ATTITUDE .....9

**Document to be returned by the supplier with signature:**

Supplier / Subcontractor	Name	Function	Date	Signature

## **Preamble:**

The mention CLAYENS NP represents the group and the subsidiaries of CLAYENS NP group as well.  
This document defines the Quality Purchasing General Requirements for the suppliers and subcontractors of CLAYENS NP.  
In this document, the supplier or subcontractor is named "supplier".

**Supplier:** company that delivers material, components or sub-assemblies.

**Subcontractor:** company that delivers value-added services on blank parts provided by CLAYENS NP

The quality purchasing general requirements shall be signed by the supplier in order to integrate the CLAYENS NP's list of suppliers.

The latest updated version of this document is available in our internet site <https://www.clayens-np.com/les-fournisseurs>, such as the procedure 33 "Presentation of initial samples".

## **1 - CHOICE OF SUPPLIERS**

*"The organization shall determine and apply criteria for the evaluation, selection, monitoring of performance, and re-evaluation of external providers, based on their ability to provide processes or products and services in accordance with requirements". Extract from standard ISO 9001.*

### **1.1 Assessment and selection of suppliers**

New suppliers of CLAYENS NP Group are selected according priority to those being ISO 9001, IATF 16949, AQAP 2110, EN 9100 or EN9120... certified and for historical suppliers or imposed by customers no certified in minimum ISO 9001, it is requested to initiate the process of setting up a quality management system.

The pre-selection of a supplier is carried out by the Purchasing/Quality teams through a pre-assessment questionnaire, followed or not by a visit of the production plant, in order to evaluate his capabilities on technical and quality level to provide products with 0 defect.

A third-party certification shall be issued by a certification body bearing the accreditation mark of a recognized IAF MLA (International Accreditation Forum - Multilateral Recognition Arrangements) member and where the accreditation body's main scope includes management system certification to ISO/CEI 17021

Certification to IATF 16949 through third-party audits (valid third-party certification of the supplier to IATF 16949 by an IATF-recognized certification body)

### **1.2 Insurance policy**

The subscription to an insurance policy (liability insurance) is necessary within the framework of future developments with CLAYENS NP group.

The supplier will provide the subscription to one or several insurance contracts guaranteeing the financial consequences in relationship with the liability insurance, following the delivery of a defective product.

These insurance contracts must be in force during the time of partnership with CLAYENS NP group and take into consideration the failures that may occur during the product's life, even if the partnership with CLAYENS NP group has ended.

Moreover, the supplier must inform CLAYENS NP group of any change in these contracts.

### **1.3 Cost**

The price proposed by the supplier must favour competition and hence be consistent with the market. The supplier will show his ability to propose product and/or process improvements having a cost reduction effect.

### **1.4 Lead time respect**

The supplier will be evaluated on his lead time respect during the product's life.

A service rate calculation is made each month.

### **1.5 Innovation**

Both training level of the interlocutors proposed by the supplier and production methods used will be taken into account by CLAYENS NP group for the evaluation of the supplier's ability to propose innovative modifications.

### **1.6 Communication**

In order to facilitate his integration into working and improvement research meetings, it is important for the supplier to have working knowledge in French and/or English.

Therefore, all written or verbal information, 8D, initial samples files, etc. must be in French or English.

### **1.7 Invoicing**

In regards with our approach for dematerialised invoices, your invoices are expected in digital format -original PDF - (not scanned), instead of your original documents received by post.

Please find below the email addresses to use for sending original PDF and for all our subsidiaries:

. suppliers-invoices@clayens-np.com for CLAYENS NP  
. suppliers-invoices@siroco.fr for SIROCO  
. suppliers-invoices@aip-plast.fr for AIP  
. suppliers-invoices@np-savoie.com for NP SAVOIE  
. suppliers-invoices@np-sud.com for NP SUD  
. suppliers-invoices@np-nord.com for NP NORD  
. suppliers-invoices@np-vosges.com for NP VOSGES  
. suppliers-invoices@np-capelec.com for NP CAPELEC  
. suppliers-invoices@np-jura.com for NP JURA  
. suppliers-invoices@sicmo.com for SICMO  
. suppliers-invoices@np-simonin.com for NP SIMONIN  
. suppliers-invoices@np-tunisia.com for NP TUNISIA  
. suppliers-invoices@np-morocco.com for NP MOROCCO  
. suppliers-invoices@np-hungaria.com for NP HUNGARIA  
. suppliers-invoices@np-slovakia.com for NP SLOVAKIA  
. suppliers-invoices@np-germany.com for NP GERMANY  
. suppliers-invoices@np-polska.com for NP POLSKA

The supplier can send in digital format (EDI, FACTUR-X, etc...), support is provided to answer your request at the following email address: suppliers-demat@clayens-np.com

Upon receipt, your email will be treated in order to validate the digital support.

Any invoice sent to another email address than those mentioned above, will not be processed or accounted.

### **1.8- Corporate Social Responsibility**

The third party will be assessed on its compliance with CSR criteria, CLAYENS NP incorporates into its supplier selection criteria their commitment to social responsibility.

## **2 - THE DELIVERY OF THE FIRST PARTS AND INITIAL SAMPLES:**

Field of application: parts on drawings, specific parts and subcontracting services as well.  
The standard parts and inserts delivered by the customer are not concerned by this paragraph.

### **2.1 Purchasing Specification**

A purchasing specification (DOC088) which summarizes the requirements of CLAYENS NP group is transmitted to the supplier in order to make sure that the supplier meet them.  
This specification must be signed and returned by the supplier before the delivery of initial samples.

### **2.2 Prototypes**

A drawing and/or a specification is attached to the prototype order.  
A prototypes part's quality file may be requested, in the same way as for initial samples.

### **2.3 Presentation of initial samples**

A drawing and/or a specification is attached to the initial samples order.  
In reply to this order, the supplier must provide an initial sample file named the DAQP (Dossier d'Assurance Qualité Produit).  
Other designations: initial samples' file, DVI, FAI, containing all or part of the following elements (non-exhaustive list):

- Drawing used to produce the initial samples
- Synoptic flow chart
- Process FMEA
- Monitoring plan
- Metrology report or control report related to the drawing and/or specification
- Result of capability studies
- Result of repeatability and reproducibility of the control means
- Raw material certificate
- Test report when required
- P33 Appendix 3 "Part submission warrant"  
The exact content of this file is stated in the Purchasing specification (DOC088).

### **2.4 Presentation of initial samples (procedure 33)**

The supplier will present the initial samples parts for free, together with the Quality Insurance Product file (PPAP) and identified according to the procedure P33.

If necessary, the supplier transmits assembly and use recommendations of the product.

### **2.5 Acceptance of initial samples (procedure 33)**

Following both submission of parts and Quality Insurance Product file (PPAP), a written agreement for acceptance is transmitted to the supplier, allowing mass production deliveries.

- The supplier does not deliver series parts without having received the written agreement for the acceptance of the initial samples, even if the parts were ordered and scheduled before.
- While waiting for the acceptance of the initial samples, the parts may be accepted under derogation, for a specified quantity.
- The supplier is committed not to modify the process in relation to the IS without prior authorisation of CLAYENS NP group (material grade, production plant change, suppliers, dimensions, aspect...).
- Any change will require a written information of the supplier and a new presentation of initial samples.

## **3 – MASS PRODUCTION DELIVERIES**

### **3.1 Process control**

The processes used for the manufacture of mass production parts must be the same as those used for producing the initial samples and are in compliance with both production flow chart and monitoring/control plan.

For raw material, the last updated version of the Technical Data Sheet for the material must be systematically included to each delivery.

- In case of product or process non-compliance, the supplier must inform us immediately to possibly define a derogation.
- The supplier will keep the control recordings to our disposal, the control charts to respect the SPC frame and the material analysis certificates used for the manufacture of the product.
- **Certificate of combustibility conformity have to be kept at disposal of CLAYENS NP each year. Warning, the tests must be done on at least 5 samples and the relevant standard must be imperatively specified (For example: D451333 for PSA – RSA, FMVSS302...).**
- Should the capabilities of the process (Cpk) be lower than 1.33 on significant parameters, the supplier will make a 100 % check of the related products.
- Within the specific requirements mentioned in the purchasing specification (such as the respect of standards and particular specifications for raw material, special processes, suppliers designed or approved by the customer), the supplier guarantees that his own suppliers or sub-contractors are approved by our customer, so that the whole process is under control.
- The supplier must guarantee the assurance that people are sensitized:
  - Their contribution to the conformity of the product or service;
  - Their contribution to the security of the product;
  - The importance of ethical behaviour;
  - Their contribution to the prevention of the use of counterfeit parts.

### **3.2 Type and depth of the control of external services**

Both requirements of the group CLAYENS NP and of Purchasing specification must be entirely passed on suppliers and subcontractors of our supplier. The supplier must identify and manage the risks associated to the tasks carried out by external contractors and must require from them to enforce the appropriate controls to their external suppliers of lower level as well.

This includes a quality management system and also a record-keeping, as well as the archiving lifetime and availability requirements. See paragraph 4.9 Traceability.

The use of parts or counterfeit components is prohibited.

## **4 – LOGISTICS**

### **4.1 Acknowledgement of receipt**

The supplier must verify the evolution of both forecasts and firm programs, and negotiate in case of capacities' overrun. Any delay or risk must be immediately reported.

Each order must be the subject of an acknowledgement of receipt of order, to be transmitted to the supply contact.

In case of delay, CLAYENS NP reserves the right to cancel the order.

### **4.2 Deliveries**

All documents required must be supplied for each shipment or delivery.

CLAYENS NP group reserves the right to:

- Refuse the packaging that presents a risk for the operators' safety and the quality of goods.
- Return at supplier's expense any noncompliant shipment which does not meet the requirements defined in the Purchasing specification.

### 4.3 Handling unit

The handling units must be easy to catch by the handling machines and must correspond to the standards of the subsidiary of CLAYENS NP that is concerned. Contact the interlocutor of the subsidiary of CLAYENS NP in order to define them.

Should pallets be used, they have to be:

- Either covered in plastic film
- Or strapped. Plastic strapping will only be used if necessary.
- Or covered with a shrink-wrapped cover if necessary.

### 4.4 Packaging unit

Packaging units (boxes, bags ...) must be put palletized without exceeding the pallet.

Boxes have to be compliant with the standard Galia.

The maximum authorized weight per unit is **12 kg**, unless otherwise agreed by the CLAYENS NP subsidiary concerned.

**Are forbidden:**  
- "Expanded polystyrene flakes" for wedging  
- Staples for the closing of boxes, bags.

### 4.5 Identification

Packaging and handling labels must comply with the standard Galia-Odette.

A delivery note must be attached to each delivery and:

- Be written in French and/or English
- Be presented in a plastic sleeve affixed on a visible package (it should never be inside the package).

Information to appear	Handling unit	Packaging unit	Delivery note
Name of the supplier	X	X	X
Code number of the supplier			X
Recipient name (CLAYENS NP subsidiary)			X
Art-No CLAYENS NP, its designation, its drawing number or reference with index	X	X	X
Quantity and unit used (kg, litre, piece, meter, etc.)	X	X	X
Batch number		X	X
Label number		X	
Date of production		X	
Hazardous product information, when appropriate	X	X	
Eventual shelf life date		X	X
Date of shipment			X
Delivery note number			X
Order number			X
Total gross weight			X
Total net weight			X
Number of packages or pallets (detailed checklist)			X
Incoterm			X
Name of the carrier			X

### 4.6 Unloading

Please get in touch with your contact at the CLAYENS NP subsidiary to know the unloading times.

In order to avoid any incident, the driver:

- Must be present all the time during the unloading operations
- Will move his vehicle after the end of the operations only.

### 4.7 Safety

All hazardous products must be accompanied by a safety data sheet.

Handling and packaging units must be identified accordingly.

#### **4.8 Evaluation of the logistics performance**

The supplier is committed to deliver all sites of the CLAYENS NP group according to the requested quantity, at the right time and together with the necessary documents.

A delivery is considered as compliant when:

- The received quantity is superior or equal to 90 % of the quantity ordered.
- The delivery is accepted within the time-slot [D-3; D+1] (either 3 days before or 1 day later), D being:
  - The requested date indicated in the order
  - Or the date confirmed in the acknowledgment of receipt of the order of the supplier, should this one be accepted.
- The delivery is identified according to the requirements and the packaging in good condition.

The service rate target is 100 % of compliant deliveries.

#### **4.9 Traceability**

The supplier will use a system of traceability allowing one, from labels or any other means, to identify the date and the place of manufacture, the batch of material used, the quality manufactured and the corresponding monitoring records.

The duration of archiving of the quality records linked to the products is 15 years and 50 years for products intended for the aeronautic sector, from the document's date. After archival periodicity, the confidential quality records will have to be destroyed to avoid all consultation by one not authorised customer.

Traceability elements must become available on request of CLAYENS NP and/or the end customer:

- Within the following 24 hours for standard products

- Within the following 6 hours for safety and/or regulation products (i.e. engine components for Aeronautics, automotive parts, etc.)

#### **4.10 Logistics treatment following a Quality non-compliance**

The production flow must not be disturbed by any product quality failure.

Should a non-compliance with an incidence on the flow be noticed in the plant, two specific cases may be considered:

- a) Return of the parts presumed non-compliant or dubious with return at the expense of the supplier.  
A delivery note is attached to the defective batch and will involve a credit note.  
The supplier must then deliver guaranteed compliant parts urgently, in order not to interrupt the flow.  
This solution is to be prioritized.
- b) In case of just-in-time and to avoid any production stop, the supplier will mandate people of a sorting company on the CLAYENS NP site or temporary workers acting on his behalf, in order to realize the sorting/rework operation.

Special transports may be necessary and will be at the expense of the supplier. In case of special transports, the supplier will send to the Purchasing Department of CLAYENS NP a listing of its extra costs, with monthly frequency.

Appropriate measures may be considered with the supplier if the delay can't be absorbed.

## **5 – PERFORMANCE FOLLOW-UP**

All suppliers who deliver components or raw materials being part of the finished product's composition are evaluated on following criteria:

- Quality performance (number of quality incidents, demerit, ppm level)
- Logistics (service rate)
- Cost, through the purchase index

Performance on these three criteria determines who is awarded new business or the renewal of existing orders.

These evaluations are realized through internal monthly reports identifying the disruptions noted on the month concerned. Demerits are evaluated quarterly.

Within the CLAYENS NP group panel, some suppliers are defined as strategic suppliers.

Strategic suppliers are defined according to the following criteria:

- Turnover and volume
- Technical know-how
- Expertise in a specific area
- Low turnover but high potential of development

Strategic suppliers are submitted to particular follow-up every six months.

The performance monitoring indicator of the strategic suppliers is calculated as follows:

#### **Purchase Mark/10: coefficient 3**

Price according to the market /2.5

Service, reactivity /2.5

Ability to provide a technical and development support /2.5

Signed quality purchasing requirements (DOC250) /2.5

#### **Quality system Mark/10: coefficient 1**

7/10 if supplier is ISO 9001 certified +

- IATF16949 if automotive application
- ISO 13485 if medical application

- EN 9100 or EN9120 if aeronautic application
- 5/10 if supplier is only ISO 9001 certified  
3/10 if the supplier has no certification but is considered as able to meet our needs because of his specific know-how (patent, etc.).
- + 1 point if ISO 14001 certified
  - + 1 point if ISO ISO 45001 certified
  - + 1 point if ISO 50001 certified

**Quality index Mark/10: coefficient 3**

According to the demerit points and ppm level.

Here are the demerit points:

- 55 points: non-conformity advice involving a return of parts or not, consequently to an incident at the final customer
- 40 points: non-conformity advice following production problems at CLAYENS NP
- 30 points: non-conformity advice following whether the reception
- 20 points: derogation with our own sorting
- 10 points: derogation without our own sorting
- 5 points: acceptance with observation (warning)
- + 15 points for each reminder to obtain corrective actions, in case of no reply from the supplier.

The quality index will be an average between the demerit mark and the ppm mark:

<b>Demerit mark</b> ( <i>p = quantity of demerit points</i> )	<b>ppm mark</b> ( <i>ppm = ppm level</i> )
10/10 if $p = 0$	10/10 if $ppm = 0$
9/10 if $5 \leq p \leq 15$	9/10 if $1 \leq ppm \leq 9$
8/10 if $20 \leq p \leq 50$	8/10 if $10 \leq ppm \leq 15$
7/10 if $55 \leq p \leq 80$	7/10 if $16 \leq ppm \leq 20$
6/10 if $85 \leq p \leq 95$	6/10 if $21 \leq ppm \leq 25$
5/10 if $100 \leq p \leq 120$	5/10 if $26 \leq ppm \leq 30$
4/10 if $125 \leq p \leq 145$	4/10 if $31 \leq ppm \leq 35$
3/10 if $150 \leq p \leq 170$	3/10 if $36 \leq ppm \leq 40$
2/10 if $175 \leq p \leq 195$	2/10 if $41 \leq ppm \leq 45$
1/10 if $200 \leq p \leq 220$	1/10 if $46 \leq ppm \leq 50$
0/10 if $p \geq 225$	0/10 if $ppm \geq 51$

**Logistics mark/10: coefficient 3**

Percentage of the service rate extracted from the CAMM software (X3).

Service rate equivalent to 77% = 7.7/10

Service rate equivalent to 100% = 10/10

**Global rating: realized every 6 months**

- If the indicator is not satisfying (final mark between 5/10 and 7/10):
  - An action plan from the supplier will be requested and an upgrading period will have to be defined together with the Purchasing Department.
- If the indicator is inferior to 5/10:
  - The supplier will be put into business-hold category until further notice and improvement of the indicator, under decision of the Purchase Engineer.

## **6 – SUPPLIER RESPONSIBILITY**

### **6.1 Non-conformity advice**

In case of a claim, a non-conformity advice will be issued and must be first answered within 2 days with a detailed reply within maximum 5 days, through an 8D-report.

The supplier is financially liable for all non-conformities (Quality or Logistics) observed on reception or when using parts which were purchased by CLAYENS NP or its customers.

Will be therefore invoiced:

- All costs linked to non-conformities of products received, to disruptions occurred (sorting upstream/downstream, internal/external, production stop, express shipping costs, chain stop, etc.).
- All other costs involved will be passed on to defaulting suppliers as well.

Fixed administrative fees are invoiced, should the demerit be equal or superior to 30 points, corresponding to the administrative treatment of an incident under the supplier's responsibility and being the subject of a non-conformity advice:

- 150 € (NC coming from a subsidiary of the group CLAYENS NP in Western Europe),
- 100 € (NC coming from a subsidiary in Eastern Europe),

- 50 € (NC coming from a subsidiary in the Maghreb).

The invoicing will only be set up when the responsibility of the supplier is completely established through the delivery of non-compliant products.

### **6.2 Confidentiality**

The supplier shall take all measures to avoid commercial or technical information relative to our orders and tenders to be disclosed to third parties, even fortuitously.

Drawings and specifications must be kept in a safe place.

### **6.3 Audit / Access right**

With your prior agreement, CLAYENS NP or a quality auditor of the customer or authorities (Ex: DGA, DGAC ...) to conduct audits on products, processes or systems in its production premises to a convenient date agreed between both parties.

Depending on the results, CLAYENS NP reserves the right to cancel any market attribution, should the quality level not be reached.

### **6.4 Market stop**

Should a market stop be notified by our final customer, no obsolescence of finished products or raw materials is accepted for more than one month of consumption (average quantity smoothed on previous 12 months).

## **7 – MANAGEMENT OF MODIFICATIONS**

All modifications below are to be approved by CLAYENS NP before delivery. This applies to both modifications requested by the unit of the group CLAYENS NP and those proposed by suppliers.

### **7.1 System modification**

In case of major modification of its quality system (for example: loss or renewal of the ISO certification), the supplier must immediately contact CLAYENS NP. The supplier must therefore forward his updated certificates following renewal or inform of the evolution and indicate where they are to be found on the websites.

### **7.2 Process modification**

In the case of a modification, even minor, of the initial process validated by the initial samples, approval must be requested (presentation of new initial samples).

Minor modifications may correspond to a retouched tool, a new product flow, a new measuring equipment, a new packaging method, etc. CLAYENS NP reserves the right to refuse or accept these modifications.

### **7.3 Product modification**

For any modification of the product, even minor, approval must be requested.

Minor modifications are for example, any product characteristics that don't appear on the drawing or in the specification such as colour, finishing, etc.

Important modifications such as a new process, a new machine or a change in the dimensions must be subject to the request of parts for validation, accompanied by a control report, see above paragraph.

### **7.4 Logistics modification**

For any modification, even minor, of the logistics process (number of parts per container, delivery conditions, labelling and packaging) validated by initial samples, approval must be requested.

## **8 – CONTINUOUS IMPROVEMENT**

Continuous improvement is the result of a philosophy of management and CLAYENS NP stays at disposal of his suppliers to share its experience in the field of continuous improvement. This philosophy is based on basic tools such as T.P.M, Kanban, the suggestion system, visual management and the 5S method.

### **8.1 Quality and costs**

Continuous improvement recommends the suppliers to be integrated into the project teams and encouraged to visit us and take part to working groups. It also implies that the suppliers propose improvements regarding quality and costs of products, and ask for contacts at all levels to report existing or possible problems.

In order to help the suppliers to strive for optimal performance, CLAYENS NP shall ask them for an improvement plan showing the evolution of key indicators such as:

- Number of returns from customer to plant
- Cost of scraps and reworks
- Overall Equipment Effectiveness
- Time scrolling

- Time of change in production
- Number of references
- Turnover per square meter
- Overall stock level
- Turnover per capita
- Number of improvement proposals per year and capita

## 8.2 Solid products

The assemblies or sub-assemblies delivered by CLAYENS NP have to work in extreme conditions all around the world. To ensure this robustness, the components used for the manufacture of our products have also to be produced according to robust processes.

A robust process is able to produce parts without any variation day after day, variation being the enemy of quality.

The best way, but not the only one, to reduce variation is to use the SPC (Statistical Process Control, what allows the continuous improvement of capabilities (Cpk). A stable value, for ex. 1.67, is not sufficient to guarantee the robustness of a process. Continuous improvement implies a permanent evolution of the capabilities of the processes.

## 9 – SAFETY AND REGULATIONS

The supplier must have an organization allowing to ensure the respect of the constraints of both regulations and safety applicable in the country of manufacture and sales according to the products ordered and to the process of manufacturing used.

Characteristics concerning safety and regulations are identified on our drawings with the symbol of the inverted triangle.



These characteristics require particular attention and are normally controlled by SPC follow-up.  
The inverted triangle must also be used to identify the workstations impacting the characteristics concerned and must appear on all documents such as control plans.

Other symbols, such as an asterisk, are frequently used to identify other special characteristics of both product and process. These characteristics also require particular attention, generally through SPC follow-up or Poka-Yoké.

The interlocutor for the quality of external supplies may recommend the SPC follow-up; in this case, it may also be mentioned on the drawing or specification.

## 10 – SUSTAINABLE ATTITUDE

CLAYENS NP recognises that responsibility and sustainability are key to its long term success. As a signatory to the United Nations Global Compact, CLAYENS NP is committed to promoting its core values in respect of human rights, labour, environmental and anti-corruption practices. CLAYENS NP is determined to ensure the highest standards of responsibility and sustainability throughout its operations including its supply chain. CLAYENS NP therefore expects its suppliers to meet the standards and requirements set out below.

### 10.1 Compliance with Laws

Suppliers shall comply with all applicable laws and regulations of the countries in which operations are managed or services provided.

### 10.2 Human Rights

Suppliers are expected to treat people with respect and dignity, encourage diversity, remain receptive to diverse opinions, promote equal opportunity for all, and foster an inclusive and ethical culture, in accordance with the relevant International Labour Organisation (ILO) conventions.

### 10.3 Child Labour

Suppliers must ensure that illegal child labour is not used in the performance of work. The term "child" refers to any person under the minimum legal age for employment where the work is performed provided the legal age is consistent with the minimum working ages defined by the International Labour Organisation (ILO).

### 10.4 Human Trafficking, including Forced or Indentured Labour

Suppliers must adhere to regulations prohibiting human trafficking, and comply with all applicable local laws in the country or countries in which they operate. Suppliers must refrain from violating the rights of others and address any adverse human rights impacts of their operations.

The supplier commits to keep at disposal the following elements to CLAYENS NP GROUP :

- A document with mention of his name or company name, complete address and company registration number (trade register, professional list or table).
- An affidavit stating payroll deductions dated as of less than 6 (six) months.

- A duly signed and dated affidavit stating compulsory tax payments and the deposit slip at the Business Formalities Centre, should he not be liable to be registered in the trade register.

- A duly signed and dated affidavit stating that:

a) Work will be done by regular employees according to the articles L.320, L.143-3 and R.143-2 of the Labour Code.

b) Potential foreign workers are or will be allowed to work in France

The supplier commits to obtain the same commitments from his potential suppliers and/or sub-contractors.

In case of change of the legal form of the company, these documents must also be provided.

The payment of the invoices will be made in favour of the supplier, subject to the providing of the above-mentioned documents.

## **10.5 Employment Practices**

### **A Harassment**

Suppliers are expected to ensure that their employees are afforded an employment environment that is free from physical, psychological, and verbal harassment, or other abusive conduct.

### **B Non-discrimination**

Suppliers are expected to provide equal employment opportunity to employees and applicants for employment without discrimination.

### **C Wage and Benefits**

Suppliers must pay workers at least the minimum compensation required by local law and provide all legally mandated benefits. In addition to payment for regular hours of work, workers must be paid for overtime at such premium rate as is legally required or, in those countries where such laws do not exist, at least equal to their regular hourly payment rate. Deduction from wages as a disciplinary measure should not be permitted.

### **D Social Dialogue**

Suppliers are expected to respect the rights of workers to associate freely and communicate openly with management regarding working conditions without fear of harassment, intimidation, penalty, interference or reprisal. Suppliers are also expected to recognise and respect any rights of workers to exercise lawful rights of free association, including joining or not joining any association of their choosing.

## **10.6 Anti-Corruption**

### **A Anti-Corruption Laws**

Suppliers must comply with the anti-corruption laws, directives and regulations that govern operations in the countries in which they do business. Suppliers are required to refrain from offering or making any improper payments of money or anything of value to government officials, political parties, candidates for public office, or other persons. This includes a prohibition on facilitating payments intended to expedite or secure performance of a routine governmental action like obtaining a visa or customs clearance, even in locations where such activity may not violate local law. Personal safety payments are permitted where there is an imminent threat to health or safety. Suppliers are expected to exert reasonable due diligence to prevent and detect corruption in all business arrangements, including partnerships, joint ventures, offset agreements, and the hiring of intermediaries such as agents or consultants.

### **B Illegal Payments**

Suppliers must not offer any illegal payments to, or receive any illegal payments from, any customer, supplier, their agents, representatives or others. The receipt, payment, and/or promise of sums of money or anything of value, directly or indirectly, intended to exert undue influence or improper advantage is prohibited. This prohibition applies even in locations where such activity may not violate local law.

### **C Fraud and Deception**

Suppliers must not seek to gain any advantage of any kind by acting fraudulently, deceiving people or making false claims, or allow anyone else to do so. This includes defrauding or stealing from the company, a customer or any third party, and any kind of misappropriation of property.

### **D Competition and Antitrust**

Suppliers must not fix prices or rig bids with their competitors. They must not exchange current, recent, or future pricing information with competitors. Suppliers must refrain from participating in a cartel.

### **E Gifts/Business Courtesies**

Suppliers are expected to compete on the merits of their products and services. The exchange of business courtesies may not be used to gain an unfair competitive advantage. In any business relationship, suppliers must ensure that the offering or receipt of any gift or business courtesy is permitted by law and regulation, and that these exchanges do not violate the rules and standards of the recipient's organisation, and are consistent with reasonable marketplace customs and practices.

## **F Insider Trading**

Suppliers and their personnel must not use any material or non-publicly disclosed information obtained in the course of their business relationship with CLAYENS NP as the basis for trading or for enabling others to trade in the stock or securities of any company.

## **10.7 Conflict of interest**

Suppliers are expected to avoid all conflicts of interest or situations giving the appearance of a potential conflict of interest. Suppliers are expected to provide notification to all affected parties in the event that an actual or potential conflict of interest arises. This includes a conflict between the interests of CLAYENS NP and personal interests of those of close relatives, friends or associates.

## **10.8 Maintain Accurate Records**

Suppliers are expected to create accurate records, and not alter any record entry to conceal or misrepresent the underlying transaction represented by it. All records, regardless of format, made or received as evidence of a business transaction must fully and accurately represent the transaction or event being documented. Records should be retained based on the applicable retention requirements.

## **10.9 Information Protection**

### **A Confidential / Proprietary Information**

Suppliers shall properly handle sensitive information, including confidential, proprietary, and personal information. Information should not be used for any purpose (e.g. advertisement, publicity, and the like) other than the business purpose for which it was provided, unless there is prior authorisation from the owner of the information.

### **B Intellectual Property**

Suppliers must comply with all the applicable laws governing intellectual property rights assertions, including protection against disclosure, patents, copyrights, and trademarks.

### **C Information Security**

Suppliers must protect the confidential and proprietary information of others, including personal information, from unauthorised access, destruction, use, modification and disclosure, through appropriate physical and electronic security procedures. Suppliers must comply with applicable data privacy laws.

## **10.10 Environment, Health, and Safety**

Suppliers are expected to establish an appropriate management system for Environment, Health and Safety. Suppliers are further expected to operate in a manner that actively manages risk, conserves natural resources and protects the environment in the communities within which they operate. Suppliers should protect the health, safety, and the welfare of their employees, contractors, visitors and others who may be affected by their activities. Finally, as stated in Section 1. "Compliance with Laws" of this document, suppliers shall comply with all applicable environmental, health and workplace safety laws and regulations.

CLAYENS NP encourages its suppliers to subscribe to an environmental, security and energy certification process, such as ISO14001, ISO45001, ISO50001 or at least have an equivalent policy.

## **10.11 Global Trade Compliance**

### **A Import**

Suppliers must ensure that their business practices are in accordance with all applicable laws, directives and regulations governing the import of parts, components, and technical data.

### **B Export**

Suppliers must ensure that their business practices are in accordance with all applicable laws, directives and regulations governing the export of parts, components, and technical data. Suppliers shall provide truthful and accurate information and obtain export licences and/or consents where necessary.

### **C Responsible Sourcing of Minerals**

Suppliers must comply with applicable laws and regulations regarding conflict minerals which include tin, tungsten, tantalum and gold. Additionally, suppliers should establish a policy to reasonably assure that the tin, tungsten, tantalum and gold which may be contained in the products they manufacture do not directly or indirectly finance or benefit armed groups that are perpetrators of serious human rights abuses. Suppliers should exercise, as may be directed by law, due diligence on the source and chain of custody of these minerals and therefore at a minimum

require the same from their next tier suppliers. Suppliers shall keep at disposal of CLAYENS NP the results of such diligence.

## **D Counterfeit Parts**

Suppliers are expected to develop, implement, and maintain effective methods and processes appropriate to their products to minimize the risk of introducing counterfeit parts and materials into deliverable products. In addition, suppliers shall provide notification to recipients of counterfeit product(s) when warranted, and exclude them from the delivered product.

## **10.12 Ethics Programme Expectations**

### **A Whistleblower Protection**

Suppliers are expected to provide their employees with avenues for raising legal or ethical issues or concerns without fear of retaliation. Suppliers are also expected to take action to prevent, detect, and correct any retaliatory actions.

### **B Consequences for violating the this document**

In the event that the expectations of this document are not met, the business relationship may be reviewed and corrective action pursued subject to the terms of the agreement, general/ specific conditions.

### **C Ethics Policies**

Commensurate with the size and nature of their business, suppliers are expected to establish management systems to support compliance with laws and regulations, as well as the expectations expressed. Suppliers are encouraged to implement their own written code of conduct and to flow down their principles to the entities that furnish them with goods and services. CLAYENS NP expects its suppliers to maintain effective programmes to encourage their employees to make ethical, values driven choices in their business dealings - beyond compliance with laws, regulations and contract requirements.

## **10.13 Corporate Social Responsibility**

CLAYENS NP translates Corporate Social Responsibility into an organization's as the consideration of the impact of its own activities on its own business and on the environment. It goes with implementing transparent and ethical behavior with stakeholders and go through the following guidelines:

- Contribution to sustainable development, including the health and well-being of the company.
- Compliance with applicable regulatory and legal requirements and complies with international standards
- The integration of the whole organization, the implementation of the approach in its relations.
- Taking into account the requirements of stakeholders.

In compliance with its commitment to sustainable development, CLAYENS NP supports the following principles:

- Support and respect for the protection of human rights.
- Contribute to the monitoring of non-complicity of abuse in operations and contribute for the elimination of all forms of forced labor
- Participate and promote equality and the elimination of discrimination in employment
- Respect ethical business practices.
- Extend and communicate this responsibility to all responsible purchasing, ensuring that these principles are respected by their suppliers, partners, distributors and other third parties.

CLAYENS NP offers a self-assessment module to encourage its suppliers and subcontractors to know their positions on Corporate Social Responsibility concerns.

By entering into a contractual relationship with CLAYENS NP, each supplier and subcontractor commit to respect the principles of social responsibility and to collaborate with CLAYENS NP to implement, if necessary, an action plan and improvement of their performance in accordance with these principles.