



**Scottish Leather[®]
Group**

Supplier Requirements Manual – Aviation

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INTRODUCTION

1. Intention

This document defines the Scottish Leather Group Supplier Quality Requirements. It sets the expectations and controls placed on suppliers to SLG, within SLG and the Suppliers' Quality Management System (QMS)

2. Scope

The contents of this manual are applicable to all SLG suppliers and their sub-supply lines, as appropriate to the product and services provided to SLG. Should a conflict arise between this manual and other documentation supplied by SLG, the following order of precedence applies

- a) The latest issue SLG Purchase Order (PO).
- b) This Manual.

3. Terminology and Definition

The term 'supplier' is a generic term that is generally understood to encompass all types of 'suppliers' of products or services. For the purposes of this document it includes any supplier who influences the output of product or services provided by SLG to its own customers. Supplier can also include;

- a) Raw material Supplier
- b) Maintenance or IT Sub-contractor
- c) Certified Testing house or Calibration service
- d) Service provider for Training, Consultancy, Certification.

4. The Requirement for Control of Suppliers

SLG design and manufacture products for the aviation, upholstery and ground transportation markets. The regulations and standards to which SLG are required to work to trade within this market require that we can demonstrate control of our suppliers and the supply chain. This is even to the extent that we extend the relevant parts of our Quality Management System into the suppliers, in order to demonstrate adequate control. Suppliers shall be responsible for flow-down of these requirements to their sub-tier suppliers. Work related to SLG Purchase Orders shall not be sub-contracted without written approval by SLG. Suppliers are responsible for the conformity of materials/products or services to approved design data and on time delivery from sub-tier suppliers and therefore the resolution of sub-tier supplier quality and delivery issues.

5. Generic requirements

The following requirements apply where they are applicable to the product or service being provided to SLG.

6. Supplier Evaluation and Monitoring Process

The New Vendor Application Form is required to be completed prior to initial approval by SLG. Evidence of certification to QMS standards such as ISO 9001, EN9100 etc. shall be provided to support the approval or re-approval process. Suppliers without a formal QMS certification or QMS certificates issued by organisations that are not accredited by a suitable UK or international accreditation body may be subject by SLG to a follow up on-site QMS audit. Supplier's quality and delivery performance is monitored by SLG. Poor performing suppliers may be selected for more frequent and focussed activity, requiring site

visits, monthly evaluation and performance improvement actions. Ultimately, poor performing suppliers will be removed from SLG's Approved Suppliers List and therefore SLG will not place further orders with them.

7. Access for Audit and Source Inspection

Subject to providing reasonable notice, the supplier shall allow SLG and persons authorised by SLG access to their premises, in order to inspect and audit the facilities, processes and procedures used for manufacture and/or repair of products and/or services supplied to SLG. The supplier shall allow access at any time to regulatory authorities to all areas associated with products or services provided to SLG. This requirement shall be flowed down to your sub-tier suppliers. Products or Services provided may also be subject to inspection / test acceptance at the supplier's premises prior to delivery. Not less than 7 days' notice of availability is required in writing from the supplier if SLG advise them that this is a requirement. Applicable process documentation, test and inspection information and certificates shall be provided at the time of the visit.

8. Purchase Order Acknowledgement

Suppliers shall acknowledge purchase order requirements. This may be achieved by signing and returning the purchase order document via post, facsimile or e-mail. By acknowledging the purchase order, the supplier acknowledges that they have read, understood and agree to the stated requirements. When reviewing the resources needed to achieve conformity to approved design data, the resources needed to achieve on-time delivery shall also be considered. Products and services will be produced in accordance with approved design data i.e. all necessary drawings, specifications and other technical information provided by SLG. The supplier shall ensure the correct revision of documents (if applicable, in line with PO) is available to persons performing the work.

9. Rejection of Products or Services

Products or services that do not comply with approved design data, i.e. drawings, specifications and/or documentation requirements defined on purchase orders, will result in the goods being quarantined in the first instance prior to being returned for corrective action under a Supplier Non-conformance. Suppliers shall complete the non-conformance indicating containment actions, root cause analysis, corrective and preventative actions. The Supplier Non-conformance shall be completed and returned to SLG within 30 days of issue. In the event of a nonconforming product, material or service produced or delivered to SLG, the supplier shall take necessary actions to contain the effect of the nonconformity on other processes, products or services. SLG shall be informed as soon as possible of the delivery of any non-conforming products or services. Product that does not conform to required design data may only be supplied with prior consent from SLG. Details of the non-conformity shall be recorded on a Concession form together with root cause analysis and proposed corrective actions and submitted to SLG at the soonest opportunity. Losses or damage sustained to SLG property shall be declared and may require financial reimbursement. Documented information relating to what has occurred shall be maintained by the supplier. Suppliers shall also account for SLG property when requested to do so by SLG. Product dispositioned for scrap shall be conspicuously and permanently marked or positively controlled until rendered physically unusable.

10. Shelf Life

- a) All items shall be supplied with no more than 20% of shelf life expired at the time of receipt at SLG.
- b) Certification shall indicate the shelf life expiry date, where applicable.
- c) The supplier shall practice monitoring of shelf life to ensure that such products or materials are not used in production or supplied when time expired.

11. Reporting of Safety Concerns

There is a legal responsibility to report any issues that may affect the airworthiness of aircraft or the safety of aircraft and people on the ground or ground transportation to the appropriate authorities. SLG will take on that legal responsibility but the supplier must support SLG by notifying SLG as soon as they become aware of any of the following:

- a) Design - Any failure, malfunction, defect or other occurrence related to a product or part which has resulted in or may result in an unsafe condition.
- b) Manufacturing – Products or parts released by the supplier with deviations from applicable design data that could lead to a potential unsafe condition.
- c) Maintenance - Serious structural damage, incorrect assembly, serious damage to electrical wiring, the use of counterfeit parts or chemicals, misleading, incorrect or insufficient documentation, evidence of fire or any occurrence where the human performance is involved.

SLG will carry out an investigation and either report the findings to the authorities or not, using SLG industry knowledge as to whether the issue qualifies as a reportable occurrence.

12. Preservation and Packing

The supplier shall preserve the manufactured products throughout production until delivery, to ensure its conformity to requirements. The products shall be free from foreign objects debris (FOD), special handling and storage for sensitive equipment and hazardous products. The products shall be supplied with adequate commercial packaging methods to ensure protection against damage or deterioration of the products and for safety in handling during shipment. The packaging shall clearly be labelled with safety warnings and/or cautions, if applicable.

13. Notification of Changes

The supplier shall notify SLG as soon as is practicable of significant changes to the following:

- a) Company ownership or company name;
- b) Certifications and Approvals
- c) Relocation of premises
- d) Significant changes to production capacity, capability or methods affecting products or services provided to SLG
- e) Significant changes in the production or quality systems that may have an important impact on the conformity of products or services supplied to SLG.

On no account is the supplier to deviate from the approved design data without the written authority of SLG under a fully signed off Concession.

14. Conformity

A list of all calibrated equipment shall be held, uniquely identifying each instrument. A system shall be in place for ensuring calibrated equipment is re-calibrated under suitable environmental conditions by the due date. In process inspection /verification stages will be included in the production process where verification of conformity cannot be carried out at later stages. Products and services will be inspected and tested as applicable prior to release to ensure they are in conformance to approved design data and in a condition for safe performance. The supplier shall maintain all records, including incoming documentation and data, relevant to the demonstration of compliance with approved design data, for a period of at least 10 years. Copies of records and reports showing evidence of conformity shall be made

available to SLG on request or for review and audit. All records generated to support the test carried out shall be stored for a period of at least 10years.

15. Counterfeit Parts

The supplier shall take measures to avoid and detect the use of counterfeit materials and products by purchasing from their approved suppliers and the visual inspection of purchased product / materials and accompanying documentation as appropriate. Verification activities, such as material testing shall be performed where the supplier identifies a high risk of nonconformity, including counterfeit parts and material. SLG shall be informed of the discovery of counterfeit product or material at any stage in the process from Goods Inwards onwards. Counterfeit or suspected counterfeit parts shall be controlled to prevent re-entry into the supply chain.

16. Foreign Object Debris (FOD)

FOD is any object, particle, substance, debris or agent that is present where it is not supposed to be and in aviation environment could create a hazard, it could also contaminate the product or otherwise undermine quality control standards or injure personnel. Examples of FOD include – swarf, loose bolts and nuts, etc. The supplier shall make sure that products or services provided to SLG are free from FOD.

17. Documentation

Documentation shall be supplied as requested on the Purchase Order and may include such items as a First Article Inspection Report, Certificate of Conformity, Testing reports or additional items outlined on the PO. Any Testing requirements must be conducted to the relevant standard as prescribed on the purchase order. If any of the documentation requested on the PO cannot be provided, this has to be notified to SLG prior to PO Acknowledgement. SLG drawings and specifications provided to suppliers shall be stored and controlled to ensure the security of all proprietary data. The supplier will prevent the unintended use of obsolete approved design data and documentation. Security measures will be in place to prevent electronic data being changed by unauthorised personnel.

18. PO Limitations

Any supplier which has limitations of supply against an SLG PO must contact SLG at the soonest opportunity upon receipt of the PO, prior to acknowledgement.

19. Operational Control

Production of products and services shall be planned and managed in a structured, sequence of actions to meet requirements and require identification of who carried out which activity. Evidence of completed planned production stages shall be retained as a record and will show both the planned and achieved standard of the product or service. The supplier shall measure product or service conformity and on time delivery performance, taking action when planned results are not or will not be achieved. During production, products will be identified such that the requirements are traceable, including the implementation of identified changes and batch traceability of all raw materials used.

20. Resources and Training

The supplier shall have sufficient trained resources in the processes to achieve conformity to POs. As part of training, the supplier will make staff aware of their contribution to product or service conformity and safety and the importance of ethical behaviour.

21. Importance of ethical behaviours

The supplier shall ensure that every person involved in their process is made aware of their part of play in ethical behaviour in the workplace;

- their contribution to product or service conformity;
- their contribution to product safety;
- the importance of ethical behaviour.

And that there is recorded evidence of that communication and understanding