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1. Purpose:

To establish, implement and maintain a system of control of Suppliers / Subcontractors of private employment agencies, and subcontractors.

2. Scope of application:

All Suppliers / Subcontractors (and where applicable, subcontractors) and private employment agencies for the provision of products / services for the organization.

3. Definitions:

Nothing

4. References:

SA8000:2014 Standard. Clause 9.10 : Management of suppliers and contractors
SAMM-AX-02: Social Responsibility Glossary Terms.

5. Authority and responsibility:

RSGRS

RSGRS is globally responsible for the implementation of this procedure.

RSGRS is authorized to order the purchasing manager to enlist / de-Elenco suppliers on the basis of their social responsibility for performance.

Purchasing Manager

He is responsible for effective day-to-day monitoring and control of Suppliers / Subcontractors / private employment agencies / subcontractors.

6. Operating modes:

The organization has established, defined and documented in writing adequate procedures to evaluate and select suppliers/subcontractors, private employment agencies (and possibly subcontractors) taking into account their commitment and performance to meet the requirements of the SA8000:2014 standard.

The organization can conduct SA8000 compliance audits of its suppliers/subcontractors, private employment agencies and subcontractors with the same operations.

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The same attention must be applied to the selection of new suppliers/subcontractors, new private employment agencies and subcontractors.

The minimum activities for the organisation to comply with this SA8000 requirement are recorded, and include:

- a) Effectively communicate SA8000 standard requirements to managers of suppliers/subcontractors, private employment agencies and subcontractors
- b) Assess significant risks of non-compliance by Suppliers/Subcontractors, private placement agencies and subcontractors
- c) Make every reasonable effort to ensure that these significant risks are adequately addressed by Suppliers/Subcontractors, private employment agencies and sub-suppliers and by the organisation where and when appropriate and prioritised according to the capacity of the organisation and resources.
- d) Establish performance monitoring activities for suppliers/subcontractors, private placement agencies and sub-contractors to ensure that these significant risks are addressed effectively

The organization maintains appropriate records on the commitment of suppliers / subcontractors / private employment agencies / subcontractors to comply with the principles of social responsibility, including, but not limited to, contractual agreements and/or the written commitment of such organizations to::

- a) Comply with all requirements of the SA8000:2014 standard and require the same compliance to subcontractors
- b) Participate in monitoring activities as required by the organisation
- c) Identify the root cause and implement timely corrective and preventive actions to resolve any identified non-conformities to the requirements of SA8000: 2014, and
- d) Inform the organization of all relevant business relationships with other suppliers / subcontractors in a timely and complete manner.

Each supplier undergoes a qualification process, annual performance evaluation and reapproval/ reintegration process (every five years).).

At the time of qualification

- _ We ask all suppliers / subcontractors / private placement agencies / subcontractors to sign a declaration of commitment to social responsibility (MOD_012_001). If any supplier/subcontractor/subcontractor refuses to sign the declaration, they are automatically excluded from the acquisition process. In the case of large suppliers / subcontractors / private placement agencies / subcontractors, an on-site assessment of their degree of compliance with SA8000 requirements is also carried out (certification is not mandatory).
- The Purchasing Manager fills in the form (MOD_012_002) after having collected the relevant data on the social responsibility commitments of suppliers / subcontractors / private placement agencies /

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subcontractors and add the supplier to the List of approved suppliers (MOD_012_003) identifying him as 'Provisionally qualified'.

Change of status from "temporary" to "regular".

In the case of new suppliers, after reviewing their performance in terms of quality, distribution and service support in three consecutive 'trial orders', the purchasing manager may change the status of the enlisted Suppliers / Subcontractors / private placement agencies / subcontractors from 'Provisional' to 'Regular'.

In the case of existing suppliers to define the qualification as "normal" :

_ signing the declaration of social responsibility would be sufficient in the case of existing material suppliers / service providers with proven experience.

_ signing the declaration of social responsibility, signing a legally binding purchase contract with the organisation and submitting proof of implementation of the responsibility would be sufficient in the case of existing subcontractors - contractors with proven experience.

Re-integration

All approved suppliers are subject to re-qualification/re-approval after every five years and the process is exactly the same as during qualification.

Issuing purchase orders

The purchasing manager organizes the procurement of materials / services required by the organization. Depending on the urgency and value of the order, purchases may be made at the counter, through verbal prescriptions, by e-mail or formal paper purchase order.

Each purchase order (MOD_012_004) must contain:

- a) Name and/or part number of the item ordered
- (b) Quantity
- c) Standard component / material (IS, ASTM etc., if required) or preferred manufacturer
- d) Qualified personnel requirements for performing / testing the product (if applicable)
- (e) Delivery time

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f) Write "TEST ORDER" in case of orders placed to new suppliers.

Before sending the written purchase order to suppliers, the Purchasing Manager checks it.

Note: In the case of purchases without a purchase order, the supplier's invoice note is retained.

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The supplier/subcontractor monitoring

All suppliers approved in the main list are subject to an annual evaluation of their performance in the previous financial year in terms of quality, delivery and service.

In case of subcontractors, in addition to the above, the organisation shall conduct the on-site supplier verification at a maximum interval of six months as per supplier audit calendar (MOD_012_005). Audit results are recorded in the Supplier Audit Note (MOD_012_006) and Supplier Audit Summary Form (MOD_012_007).

The results of the annual supplier evaluation and the six-monthly supplier audits are discussed in the subsequent management review and appropriate corrective / preventive actions are taken.

Special provisions for home workers

Where the organization receives, manages or promotes goods and/or services from suppliers/subcontractors or sub-suppliers classified as home workers, the organization will take effective action to provide such home workers with a level of protection substantially equivalent to that offered to other workers in the organization in accordance with the requirements of the SA8000 standard.

Such special actions include, but are not limited to:

- (a) Establish legally binding written purchase contracts requiring compliance with the minimum criteria in accordance with the requirements of SA8000: 2014
- (b) Ensure that the requirements of the written purchase contract are understood and implemented by home workers and all other parties involved
- (c) Maintain on the organisation's premises, complete records describing the identities of domestic workers, the quantities of goods produced, the services provided and/or the hours worked by each home worker, and
- (d) Frequent announced and unannounced monitoring activities to verify compliance with the terms of the written purchase agreement.

A separate register of home workers is kept (MOD_012_009).

7. Record:

The following records are kept.

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Yes. N	Title	Conservation period	Caretaker
1	Declaration of commitment to social responsibility (MOD_012_001) signed by suppliers	Min 5 years	Purchasing Manager
2	Supplier qualification module (MOD_012_002)	Min 5 years	Purchasing Manager
3	Authorised suppliers list (MOD_012_003)	Perpetual license	Purchasing Manager
4	Purchase order (MOD_012_004)	Min 5 years	Purchasing Manager
5	Supplier control calendar (MOD_012_005)	Min 2 years	RSGRS
6	Supplier Control Module (MOD_012_006)	Min 5 years	RSGRS
7	Supplier Audit Summary (MOD_012_007)	Min 5 years	RSGRS
8	Home workers list (MOD_012_008)	Perpetual license	Purchasing Manager
9	Register of home workers (MOD_012_009)	Min 5 years	Purchasing Manager

8. Revision history:

Revision no. & Version no.	Summary of changes since previous version of the document	Changes applied by	Commentary by RSGRS
R-00, V-01	First version	N/A	Nothing

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