

INTRODUCTION

This document details the minimum Quality Management System requirements expected by CLARENDON SPECIALTY FASTENERS (here on in referred to as CLARENDON) of its Suppliers and / or Sub-Contractors. CLARENDON is part of the Diploma PLC Group of companies. We are committed to achieving the highest ethical and legal standards in our supply chain. These standards supplement any conditions of the CLARENDON purchase order. In the event of conflict between the requirements of this document and the requirements of the Purchase order, the Purchase order requirement shall prevail.

GENERAL

Where CLARENDON requires a product to be manufactured to a CLARENDON drawing, the Supplier shall not use any Sub-tier Suppliers without the written approval from CLARENDON.

Where drawings make reference to parts, which are commercially available, CLARENDON will not require Sub-tier written approval.

All necessary information is to be provided to any Sub-tier supplier. It is the supplier's responsibility to ensure such information is understood and implemented by Sub-tier Suppliers prior to commencing any work.

Approved supplier status will be awarded to suppliers complying with these requirements for the scope of their products or services.

Suppliers are monitored closely, and measures are established, in order to achieve the highest level of performance. This document details those requirements.

Non-conformances will adversely affect Vendor Performance Ratings.

Any deviations to these requirements must be submitted to CLARENDON for assessment/approval.

It is essential that suppliers fully comply with Purchase Order conditions with particular emphasis on quality requirements concerning AS9100 source Traceability and Certificate of Conformances.

QUALITY SYSTEM

The Supplier will provide and maintain an effective Quality Management / Inspection system that is compliant with this document. CLARENDON recognises national and international standards for Quality Management as meeting requirements for Approved Supplier Status. CLARENDON requirements are that the supplier maintains a Quality Management System that complies with the ISO9001 standard as a minimum.

The Suppliers Quality Representative should have direct access to a senior executive of the company and have access to all purchase order requirements, drawings, specifications and other related documentation necessary to fulfil their duties. The Supplier will ensure that all such products and services conform to the full requirements of the specification/purchase order. Documentation and records necessary to demonstrate compliance will be maintained and made available for auditing by CLARENDON representatives upon request at all reasonable times.

All documentation must remain legible, readily identifiable and retrievable.

EVALUATION

CLARENDON approved suppliers will be continuously monitored to assess their on-going suitability by measurement of quality, cost and delivery performance and surveillance audits.

Suppliers are required to achieve a Defective Parts score of no more than 2% calculated by line items.

Should a Suppliers performance fall below an acceptable standard, the Supplier will be notified in writing.

The supplier will be requested to submit a corrective action plan to rectify the problem.

Approval may be suspended or withdrawn if performance is not improved within an agreed time-scale.

RIGHT OF ACCESS

The Supplier will permit reasonable access to applicable areas of facilities & applicable documented information to CLARENDON, customers (or their representative) of CLARENDON and regulatory authorities whenever necessary – as per EN 9120:2016 8.4.3.j

SUB CONTRACTING / SUPPLIER CONTROL

All relevant CLARENDON quality requirements (including access & records) must be flowed down to lower tier suppliers.

All Suppliers will maintain their own approved Supplier / Sub-contractor database & ensure that all vendors maintain an approved Quality Assurance system. The Supplier will maintain records of all "on receipt" inspections and Approval Certificates covering materials and supplies.

When supplying to a CLARENDON drawing, the Supplier will not change in part, or as a whole, any product, process, location or service without the written approval of CLARENDON.

SPECIAL PROCESSES

The requirement for NADCAP accreditation for any special processes completed in support of a CLARENDON order will be specifically stated on the Purchase order. Any deviations to this requirement must be referred to the CLARENDON Purchasing or Quality Manager prior to commencement of work.

MATERIAL SEGREGATION

The Supplier will provide secure facilities to ensure that material is not used until inspected or otherwise verified as conforming to specification. Materials will be stored and protected in such a manner to prevent damage and deterioration or loss of identification and traceability at all times.

TRACEABILITY

All raw material obtained by the Supplier to meet an order, and all parts incorporated into assemblies which are subsequently supplied to CLARENDON must be traceable to the manufacturing source and identifiable to the manufactured item.

Traceability must be maintained through all stages of the Suppliers manufacturing process.

In the event of certain processes being further sub-contracted, traceability to the 2nd stage control, inspection and / or test records must be maintained.

PART REVISIONS

Specifications, drawings, and any additional requirements used in production shall be to the most current Revision at the time of production, unless otherwise specified on the Purchase Order.

All products provided shall be certified to all applicable part numbers and current revisions including, but not limited to military standards, manufacture part numbers, and customer part numbers.

EVIDENCE OF QUALIFICATION OF PERSONNEL

The supplier shall determine, implement and maintain a process to ensure competence of personnel performing work affecting quality and provide training or take other actions to satisfy these competency requirements. The supplier shall also ensure personnel are aware of their contribution to product conformity, safety and the importance of ethical behaviour.

PREVENTION OF COUNTERFEIT PARTS

All suppliers shall implement a process for the prevention of Counterfeit parts & Suspect Un-approved parts. Refer to Industry Standard AS6174 Counterfeit Material; Assuring Acquisition of Authentic and Conforming Material for guidance.

F.O.D. CONTROL

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

TOOLING, GAUGING & MEASURING EQUIPMENT CONTROL

All equipment must be suitably maintained and subjected to an appropriate calibration process where applicable. All gauging and measuring equipment shall be identified by a unique serial number and a record maintained of the inspection examinations of such equipment.

The Supplier must ensure that environmental conditions are Suitable for all calibrations, inspections, measurements and tests being carried out.

DESIGN

When supplying to a CLARENDON drawing, design changes are not allowed unless assessment and approval in writing by CLARENDON has been completed.

NON-CONFORMING PRODUCT

The Supplier shall have a system for the control of non-conforming items which must include:

Identification & Segregation of non-conforming material or parts,

Documentation defining the nature of the defect and what remedial / corrective action has been authorized and undertaken. The document must clearly state the defective parts by number and serial / batch number and give a target date for the completion of actions.

Evidence to demonstrate that appropriate action has been taken to prevent recurrence.

Notification of Escapement (NOE) process:

Supplier shall provide written notification to CLARENDON when a non-conformance is determined to exist, or is suspected to exist, on product already delivered to CLARENDON. Written notification shall include:

Affected process(es) and product(s),

Description of the non-conforming condition,

Quantities, dates, purchase orders and destinations of delivered shipments.

Notification must occur within three (3) business days of knowing all the above.

PRODUCTION PERMIT AND CONCESSION APPLICATION

Requests for permission to deviate from the purchase order, drawing or specification requirements in advance of manufacture (Production Permit) and requests to release items which do not conform to order, drawing or specification (Concession) are to be made in writing to CLARENDON.

Any such Permit / Concession must be quoted on the release documentation, and the part duly identified.

Failure to observe these requirements will result in rejection.

REJECTION

Products that do not conform to the requirements of the CLARENDON purchase order or this document are liable for rejection.

The Supplier will be notified by the means of a formal Returns Note and Supplier Non-Conformance Report (SNCR) and payment will be delayed.

The Supplier will investigate the cause of non-conformance and instigate corrective action to prevent a reoccurrence.

When no fault is found by the supplier for non-conforming product(s), the order will be accompanied by supplier's test and inspection data. Resubmitted parts will also be accompanied by a copy of, or reference to, the applicable CLARENDON non-conformance document(s).

The SNCR must be completed within thirty (30) days of receipt. Failure to do so may result in the Supplier being suspended from the CLARENDON Approved Suppliers List.

CHANGE MANAGEMENT & FIRST ARTICLE INSPECTION

The supplier shall notify CLARENDON for approval of ALL changes to manufacturing processes and changes of raw material source prior to implementation. In the event of component obsolescence, the supplier is requested to offer CLARENDON a "last time buy" notification to ensure adequate materials are made available during the transition to an alternative source.

Suppliers are requested to carry out First Article Inspections, and supply the data using the AS9102 Standard FAI Forms (latest released version) when requested on the Purchase Order and in the following circumstances:

Initial First Article Submission (Including drawing Issue changes),

Change in manufacturing source or location, which Includes change in suppliers and suppliers moving production between sites within their organisation,

Change in manufacturing method, including changes to manufacturing processes, production equipment and tools.

Changes to the material(s) or specification(s) specified on the engineering drawing.

A lapse in production for two (2) years.

CERTIFICATION RELEASE REQUIREMENTS

Ensure all release documentation, including Certificate of Conformity, are supplied prior to or with delivery of the goods and provides full traceability back to the original manufacturer / material source. The Release Note / Certificate of Conformity must carry the following information:

Unique Document Identity (through which traceability to original materials, manufacturing sources and records can be achieved)

Document Issued date

CLARENDON Order No

Description of Product / Service supplied

Part No. and / or Drawing No, and Issue

Quantity Supplied

Batch No / Serial No

Inspection Report / Permit / Concession / Reject Note number (if applicable)

Signed certified statement of conformance to the purchase requirements by approved personnel

DELIVERY

The Supplier will ensure that all parts are delivered correctly identified, as required by the drawing and the Purchase Order.

Deliveries shall be appropriately packaged to prevent damage, deterioration, corrosion and other risks during transportation.

Certification and documentation requirements of the CLARENDON order accompany each delivery as appropriate.

Failure to meet these requirements may result in a Reject Note and subsequently a Supplier Non-Conformance Report being raised to prevent a recurrence. The due date stipulated on the CLARENDON Purchase Order is the date for latest receipt at the CLARENDON facility. Early deliveries up to five (5) days prior are acceptable.

RECORD RETENTION

The Supplier will retain all manufacturing and quality records associated with CLARENDON orders for a minimum of ten (10) years after completion of the order (or at such time that the company ceases to trade, then ALL records MUST be passed to CLARENDON).

No records will be disposed of without written authority from CLARENDON.

Instructions for disposal may provide for all records to be returned to CLARENDON for archiving, in which case the records are to be collated together and fully identifiable to the appropriate CLARENDON Purchase Order.

EXPORT CONTROL

CLARENDON expects that suppliers clearly understand and work within the laws and practices of the country of export and ensure that they administer all relevant export controls. Suppliers must ensure that when delivering products to CLARENDON they comply at all times with all export control requirements and customs regulations, as well as providing export control and foreign trade data in a professional and timely manner.

CLARENDON also requests that suppliers:

- Take all necessary efforts to implement export control processes and procedures internally
 - Notify us within five (5) working days of order receipt when any product we are purchasing is subject to export control policy (earlier if product is available for immediate shipment – i.e. ahead of shipment)
 - Prepare all relevant and necessary information and liaise with CLARENDON for any license or license exemption application
- It is the supplier's obligation to take all necessary steps to prevent CLARENDON from breaching any export control legislation.

RoHS / REACH and SVHC's

CLARENDON is committed to provide customers with information regarding Substances of Very High Concern (SVHC's). In order to do this the supplier will ensure;

They comply with regulations pertaining to both the Restriction of Hazardous Substances (RoHS) & the Registration, Evaluation, Authorisation & restriction of Chemicals (REACH).

They maintain & provide up-dated information regarding the compliance of products supplied.

CONFLICT MINERALS

In line with the legislation on the supply of Conflict Minerals, the supplier will undertake reasonable due diligence to ensure that specified metals are being sourced only from:

Mines and smelters outside the 'Conflict Region',

Mines and smelters which have been certified by an independent third party as 'Conflict Free' if sourced within the 'Conflict Region'.

This due diligence includes gathering & providing written evidence documenting that raw materials used to produce gold, tin, tantalum and tungsten, used in the materials to manufacture components and products supplied to CLARENDON originate from sources that are certified as 'Conflict Free' by an independent third party.

If we discover the use of minerals produced in facilities that are considered to be 'Non-Conflict Free' we will take appropriate action to transition to 'Conflict Free' product.

LEGAL COMPLIANCE & ANTI MONEY LAUNDERING

Clarendon is governed by international trade laws in the UK and similar regulations in other countries. These laws prohibit us from doing business with or supporting criminals, terrorists, prohibited parties and money launderers trying to hide illicit funds.

Suppliers should always be sure to comply with all applicable anti-money laundering and counterterrorism financing laws and only accept funds from legitimate sources.

All suppliers are required to comply with all applicable national and international laws and regulations including without limitation:

- regulations aiming to protect human rights, health, the environment, anti-trust, data protection, international trade compliance, workplace safety, and
- regulations aiming to combat corruption, money laundering and terrorism.

EU SANCTIONS

The supplier certifies that all steel and iron products as listed in Annex XVII of the Council Regulation (EU) No 833/2014 of 31 July 2014 and sold or otherwise provided to CLARENDON do not originate and have not been exported from Russia. Likewise, they do not incorporate any steel and iron products as listed in the same Annex XVII originating in Russia when having been processed in a third country.

The supplier and each of its associates shall, in performing their respective obligations under the agreement, comply with all applicable laws, statutes, regulations and codes from time to time in force.

ANTI-BRIBERY AND CORRUPTION (ABC)

CLARENDON operates a zero-tolerance policy in relation to bribery and corruption to ensure that all its business is conducted in an honest and ethical manner and to comply with applicable legislation. Bribery is an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage.

All suppliers are required to comply with the Diploma Anti-Bribery and Corruption Policy as if it applied to the supplier or to have equivalent principles in place through its own policies.

Specifically, the supplier will:

- not accept or offer improper gifts and hospitality that could affect or appear to affect impartial business decision making,
- not engage in any form of bribery or corruption either directly or indirectly or through a third-party,
- not make facilitation payments or offer other gifts to government officials, candidates for public office or other persons
- not use third-parties or business partners as a channel to make improper payments.

All suppliers are required to have in place adequate procedures to manage the risk of bribery and corruption in its business and supply chains including regular training of employees.

COMPLYING WITH TAX RULES

CLARENDON has a zero-tolerance attitude to all forms of tax evasion. We are committed to ensuring full compliance with all statutory obligations and to conducting our business affairs to ensure that we do not engage in or facilitate any form of tax evasion. All suppliers are required to:

- Comply with the Diploma Anti-Facilitation of Tax Evasion Policy as if it applied to the supplier, or have equivalent principles in place through its own policies
- not engage in or facilitate in any form of tax evasion, either directly or through any third-party, or any activity designed, or can reasonably be construed as being designed, to perpetuate a fraud.

CONFLICT OF INTEREST

All suppliers are required to:

- have processes in place to avoid conflicts of interest and provide a mechanism for employees to report potential conflicts between them, or any relative, close friend or associates and Diploma Group,
- notify Diploma without delay of any conflicts of interests or potential conflicts of interest including but not limited to:
 - family and personal relationships with Diploma Group employees,
 - others acting on the behalf of Diploma Group,
 - previous employment with Diploma Group, or
 - any other interest by relevant persons in the business which may (or which appears likely to) affect impartial decision making

FAIR COMPETITION

Fair competition is good for business, driving innovation and improving services. All suppliers are required to comply with antitrust and competition laws thus certain actions are prohibited such as:

- Agreeing prices with competitors
- agreeing with competitors to boycott a supplier or customer
- sharing competitively sensitive information with other competitors
- entering a business arrangement or strategy with the intention of harming a competitor
- using your size to create an unfair advantage.

HEALTH AND SAFETY

All our suppliers are expected to have in place minimum requirements as set out in the Diploma Health & Safety Policy as if it applied to the supplier or have equivalent principles in place through its own policies. Specifically, suppliers are required to:

- provide a safe and healthy working environment for all employees including providing appropriate personal protective equipment where applicable,
- have policies and procedures in place to prevent accidents and injury when undertaking duties related to supplier's business,
- provide training and education for all workers on health and safety issues,
- take all commercially reasonable steps to minimise detrimental effects of supplier's business and operations on the environment,
- ensure all products and services supplied to Diploma businesses are safe when put to intended use used according to supplier specifications and provide on request all relevant safety data sheets.

HUMAN RIGHTS & MODERN SLAVERY

All our Suppliers are expected to comply with local legislation and principles set out in our Diploma Human Rights Policy and Modern Slavery Statement or have equivalent principles in place through its own policies. Specifically, suppliers are required to:

- confirm contracts prohibit the use of child labour with any vendor, supplier or other third-party,
- maintain an inclusive workplace free of harassment and discrimination,
- provide a safe and healthy workplace for employees and prevent accidents to employees, customers and visitors,
- comply with laws and regulations dealing with wages to employees and the hours they work,
- respect the rights of employees regarding freedom of association and collective bargaining.

SUPPLY CHAIN

Suppliers and third-party providers play an important role in ensuring we uphold the highest ethical and legal standards throughout our supply chain. Suppliers are required to:

- take all reasonable steps to ensure the principles of this Code are adhered to by its own suppliers and third parties,
- have in place due diligence processes for legal and ethical compliance across the supplier's supply chain.

ENVIRONMENTAL

Environmental matters are a key aspect of our business activities. Our strategic focus is to work to limit our environmental impacts and tackle climate change, so ensuring we deliver value responsibly. All suppliers are required to:

- comply with the Diploma Environment Policy as if it applied to the supplier, or
- have equivalent principles in place through its own policies.

Suppliers should endeavor to:

- conserve energy and natural resources, prevent pollution and environmental incidents and promote sustainable transportation, production and consumption,
- reduce scope 1,2 and 3 Green House Gas emissions
- reduce waste, increase recycling and minimize waste to landfill
- reduce packaging use and increase recycled and recyclable packaging where appropriate
- set targets to continually improve environmental performance.

WHISTLEBLOWING

We are committed to an open and accountable culture where employees and others can express concerns in the knowledge they will be taken seriously and treated fairly without retaliation.

The Diploma Whistleblowing Policy encourages reporting of concerns about an illegal act or a breach of our Code of Conduct.

If you become aware, or have reason to suspect, that unethical, illegal or other improper circumstances or behaviours connected to any Diploma business are contemplated, occurring, or may have occurred, you are encouraged to raise your concerns in a timely manner using our Confidential Hotline. Reports will be treated in accordance with our Whistleblowing Policy acknowledged and acted upon as appropriate.

CONFIDENTIAL HOTLINE

CLARENDON, as part of the Diploma PLC group, has a Confidential Hotline available for suppliers to confidentially report any concerns they may have regarding improper practices. This hotline is managed by Safecall, a reputable and independent third-party organization dedicated to maintaining confidentiality and supporting workplace integrity. Safecall operates 24/7 and offers the following contact options for reporting:

- Freephone: A complete list of Freephone numbers can be found on the Safecall website.
- Online Report: submitted directly on the website <https://www.safecall.co.uk/file-a-report/>
- Email: Contact via email at diploma@safecall.co.uk.

If you choose to report by phone, a trained operator will take your call and document your concerns in complete confidentiality. Calls are not recorded, and anonymity is fully guaranteed by Safecall if requested. Online reports offer the option to remain anonymous, semi-anonymous, or named, based on your preference. This confidential resource is designed to ensure that any concerns can be reported responsibly and securely.

CONTACTS

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