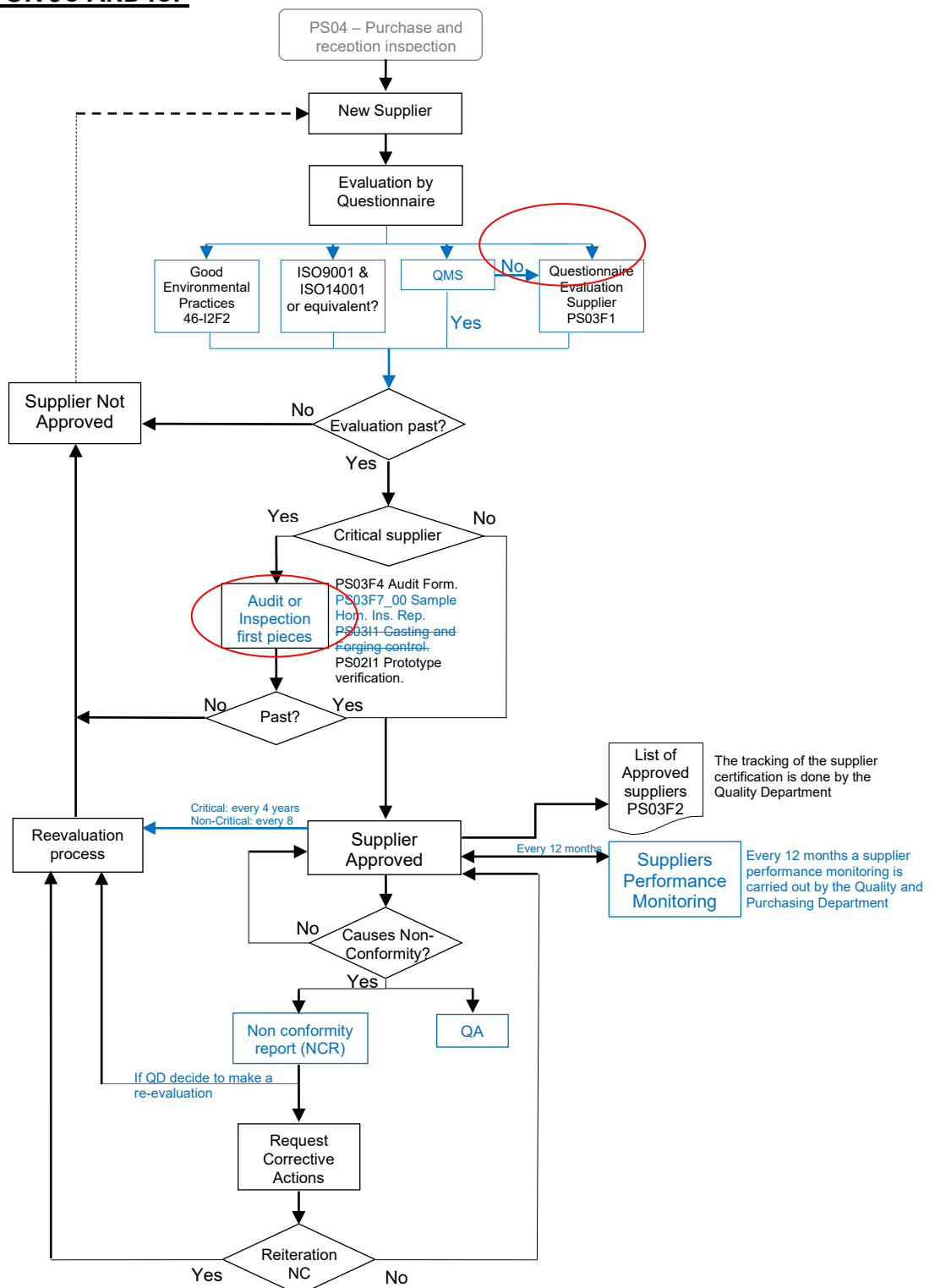


LIST OF REVIEWS

REV.	DATE	DESCRIPTION
07	23/10/17	Introduction of the environmental part
08	09/01/18	Realignment of the information
09	31/07/18	Supplier requirements for homologation
10	31/05/19	Update if point 5.6.1.2 API Q1 (Add2), critical suppliers
11	09/04/21	Reevaluation criteria
12	18/10/21	Update the quality documents required during evaluation and include risk assessment
13	03/01/22	Update workflow and information of Risk Assessment
14	03/05/22	Clarification about Supplier's monitoring and re-evaluation methods

*** - APPLICABLE FOR JC AND ICP

1. DESCRIPTION



Approval Criteria:

Type of Approval	
ISO 9001, API Q1 ISO14001, EMAS	Certification of the quality and environmental system by a third part
Evaluation Questionnaire	Analysis of the results of the JC Questionnaire (+ BPMA) *
QMS	Quality management system of the supplier
Historic	Company that has always worked for JC with a trust relationship
Audit	Through audit (with or without the questionnaire as a template)
Concerted Quality Contract	Company with low error rate for a long time, the pieces are considered OK by default.
Not applicable	Supplier that does not directly affect the final product.
No Supplier Circuit	Service companies completely independent of the final product.

*In the Environmental part of the Questionnaire there is an attachment "Good Environmental Practices" (BPMA)

Type of Supplier			
Pressure equipment manufacturer (valves, tanks, etc.)	Critical	ISO9001 + PED (current or expired less than 1 year ago)	-ISO14001, EMAS -Questionnaire PS03F01 or QMS + BPMA
Casting, Forging, Bolting, O-rings, Standard bar storekeeper (holding pressure parts)	Critical	ISO9001, APIQ1 (current or expired less than 1 year ago)	-ISO14001, EMAS - Questionnaire PS03F01 or QMS + BPMA
Machining Workshop, Heat Treatments, Superficial Treatments, welding and painting	Critical	-ISO9001,APIQ1 (current or expired less than 1 year ago) -Questionnaire PS03F01 or QMS -Historic -Audit -Concerted Quality Contract	-ISO14001, EMAS - Questionnaire PS03F01 or QMS + BPMA Welding (WPS,WPQ) NDTs (Level II) Painting (Internal procedures)
Distributors, Machine Maintenance, Packing, NDTs.	Non Critical	-ISO9001,APIQ1 (current or expired less than 1 year ago) -Questionnaire PS03F01 or QMS -Historic -Audit -Concerted Quality Contract	-ISO14001, EMAS - Questionnaire PS03F01 or QMS + BPMA
Soft parts (O-Ring, Seats, Joint, PTFE Stem bushing, etc.)	Critical	-ISO9001,APIQ1 (current or expired less than 1 year ago) -Questionnaire or QMS -Historic -Audit -Concerted Quality Contract	-ISO14001, EMAS - Questionnaire PS03F01 or QMS + BPMA
Calibration and test labs.	Non Critical	ISO17025	-ISO14001, EMAS - Questionnaire PS03F01 or QMS + BPMA

	Suppliers Evaluation		
	Procedure PS03	Review: 14	Date: 03/05/2022 Sheet: 3/6

Commodities Suppliers	Non Critical	-ISO9001,APIQ1 (current or expired less than 1 year ago) -Questionnaire or QMS -Historic -Audit -Concerted Quality Contract	-ISO14001, EMAS - Questionnaire PS03F01 or QMS + BPMA
Lawyers, Notaries, Messaging, Renting, Training, Inspection, Certification Companies, Engineering, Maintenance Facilities, Manufacturer of measurement equipment.		Not Applicable	-
Telephone, Internet,		No Supplier Circuit	-
Critical suppliers (with JC design and which imply a direct impact in final supply of product)	Apart from the previous requirements:		
Machining workshop metallic elements (Body, Connector, Stem, Ball, Metallic seats)	As per indications of table “Type of Supplier”		
Forging (bar manufactured for JC)			
Casting			
Machining workshop soft elements (seats)			
Graphite Manufacturer			
O-Rings Manufacturer			
Spiralwounds Manufacturer			
Welding			
Painting			
NDTs	Audit (is part of the internal audit)		
	* Standard bar storekeeper is not considered a critical supplier * If the material is purchased through JCI or JCS they may be them to perform the audit.		

What is considered a Critical Material? products designed by us (JC Valves) and which imply a direct impact in the correct supply of the final product (balls, stems, bodies, connectors, seats, graphites, spiralwounds, bolts and Orings).

What is considered a Critical Service?

Welding, treatment and painting. The suppliers of these services are called critical suppliers and must always be homologated.

Third party inspectors and NDTs services are considered as NON-Critical Service because they have not a direct impact in the performance of Valves

To be able to approve a supplier or contractor, he has to comply with the Quality and the Environmental part (included in documents PS03F01).

Suppliers in homologation process and those that have lost their approval will be considered as potential/possible new suppliers.

Orders will not be made to the commented suppliers. If you need to place an order, Quality can provide an explicit permit for the realization of a specific order as per below indications for critical and non-critical suppliers:

Critical

A permit from Quality department is a must, to be able to place an order to Critical suppliers with critical components. During the homologation process a FAI is needed for such component to get the related approval.

Non-Critical

A permit from Quality department is needed once the supplier has delivered satisfactorily PS03F1 completed as per Diagram (Evaluation Questionnaire, ISO 9001 & 14001 or equivalent and QMS additionally).

The Quality Department is the only responsible for granting approvals to suppliers that is why the information with the Purchasing Department must be constant.

The quality department reserves the right to perform a supplier re-evaluation when the non-conformity is very critical (Regardless of whether it's its turn or not).

Supplier certifications and homologations has to be reviewed each 12 months.

Suppliers performance monitoring:

Every 12 months a supplier performance monitoring is carried out by the Quality and Purchasing Department based on:

-Quality aspects: directly related to the Non-Conformity Reports generated during the last 12 months and the closing thereof, its repetitiveness, etc. and QA generated during the last 12 months always at the discretion of the Quality Manager (see document "Control INC 20XX"). The qualification will go between 0 and 5 and its calculation is as follows:

	5	4	3	2	1	IMPORTANCE	Result	Weighted Result
number of NCR+QA	0	0	1	2	3	30%		
every 3 QA=1 NCR	-	-	1	2	3	x		
total components affected	-							
% of affected orders	0,0%	0,1%	2,0%	5,0%	20,0%	30%		
Number of components affected	0,0%	0,1%	1,1%	2,0%	5,1%	20%		
% of value against the total purchases	0,0%	0,1%	0,5%	1,5%	5,0%	20%		
						100%	Average	Final Qualification

-Delivery terms aspects, directly related to the deviations between the theoretical and real terms of the orders during the last 12 months. The qualification will go between 0 and 5 and its calculation is as follows:

	5	4		3		2		1		IMPORTANCE	Result	Weighted Result
% num de PO on delay	0,0%	0,1%	20,0%	20,1%	30,0%	30,1%	50,0%	50,1%	100,0%	40%		
% delay between 0 & 7 days	0,0%	0,1%	20,0%	20,1%	30,0%	30,1%	50,0%	50,1%	100,0%	10%		
% delay over 7 days	0,0%	0,1%	5,0%	5,0%	10,0%	10,0%	15,0%	15,0%	100,0%	10%		
% delay over 15 days	0,0%	0,1%	5,0%	5,0%	10,0%	10,0%	15,0%	15,0%	100,0%	15%		
% delay over 30 days	0,0%	0,1%	5,0%	5,0%	10,0%	10,0%	15,0%	15,0%	100,0%	25%		
										100%	Average	Final Qualification

The suppliers that have not met the expectations will be analyzed, if there is any in the document of “Suppliers Annual Report”

Actions will be applied based on the qualifications obtained, being a supplier with a qualification between 0 and 2,5 implies a mandatory analysis.

Risk assessment of Suppliers performance monitoring:

All suppliers of critical products or services, as per indications in the page Nº 3 of this document, a percentage calculation will be performed about the real risk that they purport in the supply chain. It is based in the following conditions:

- Quality note calculated according to indications of page 3 to this document, will represent 60% of the final percentage score of the risk that the supplier could represent in the company.
- Delivery terms aspects note calculated according to indications of page 3 to this document, will represent 40% of the final percentage score of the risk that the supplier could represent in the company.

Final risk note	Note
100% - 51%	Need Revaluation
50% - 31%	Average
30% - 11%	Good
10% - 0%	Excellent

-Formula to calculate the Final Risk Note:

$$Risk\ Assessment\ Note = 1 - ABS \frac{((SI.ERROR(+((O81 * 40\%) + (P81 * 60\%)); 5)))}{5}$$

When result of Evaluation is “Need Revaluation”, then the supplier will be reevaluated as a new Supplier in a period not exceeding 4 weeks or when next order is done, what happens before (see workflow page Nº 1).

Re-Evaluation of the suppliers:

A re-evaluation of suppliers (critical and non-critical) will be performed according to below periodicity, evaluating all suppliers as a new one.

Every 4 years a re-evaluation of suppliers and contractors Critical is carried out by the Quality and Purchasing Department based on:

1. Verification of Quality Management System. Check validity of certificates and procedures. If they are expired ask for the new one.
2. Complete of document PS03F01
3. Performing on-site evaluation of relevant activities or performing a First Article Inspection (FAI) to ensure conformance of requirements.

Every 8 years a re-evaluation of suppliers and contractors NON-Critical is carried out by the Quality and Purchasing Department based on:

1. Verification of Quality Management System. Check validity of certificates and procedures. If they are expired ask for the new one.
2. Complete of document PS03F01

When there is no register of evaluation a new evaluation will be performed in a period not exceeding 4 weeks, depending on if supplier is critical or non-critical.