

**SEKISUI**

**FOAM**  
**INTERNATIONAL**  
Global Foam Solutions

**Thai Sekisui Foam Co., Ltd**

# **Procurement Policy and Supplier Assessment Process**



**ORIGINAL**

**LATEST REVISION DATE: 01 SEPTEMBER 2018**



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## **PROCUREMENT REQUIREMENTS**

Procedure Created:	ID#:
Created by: SONGKLOD UTTARAPART	Approved by: ROCCO ROMITI

Thai Sekisui Foam CO., LTD. is committed to extending its environmental principles to its suppliers. In general, Thai Sekisui Foam:

- Promotes the purchase of raw materials, goods and services that have minimal negative impact on the environment.
- Strives to establish a resource-recycling society through concerted efforts with business partners.
- Aims to continually improve its environmental performance in conjunction with its suppliers.

Thai Sekisui Foam subscribes to the procurement policies set by Sekisui Chemical Group.

Approved Suppliers are added to the Supplier Reference Database. Their performance against key performance indicators such as Delivery In-Full On-Time, quality and environmental non-conformance is assessed regularly, with annual reviews conducted.

### **Raw Materials**

All raw materials related to commercial production must only be purchased from an Approved Supplier. These materials are assessed based on relevant technical, quality and environmental parameters, and results from trials. Environmental parameters include the following:

1. Packaging materials, including recyclability.
2. Evidence that the supplier has implemented an ISO 14001 certified Environmental Management Scheme.
3. Evidence that the raw material complies with relevant global legislation or industry directives with regard to environmental issues, e.g. compliance to REACH, RoHS, JAMP or GADSL.

The supplier shall provide a Certificate of Conformity or Certificate of Analysis for all raw materials deliveries. These certificates are kept by the Purchasing and Logistics Manager for a period of 5 years. The supplier shall also provide relevant Material Safety Data Sheets (MSDS) and keep them current.

The EMS Supplier Assessment Process provides further details on assessing environmental parameters of a raw material.

### **Contracted Freight**

All contracted freight arranged by Thai Sekisui Foam to deliver finished goods to customers/distributors, or deliver raw materials from port to factory, must be through an Approved Supplier. The supplier is assessed on its environmental principles, including whether it has adopted an ISO 14001 certified EMS or equivalent.



## **SUPPLIER ASSESSMENT PROCESS**

Procedure Created:	ID#:
Created by: SONGKLOD UTTARAPART	Approved by: ROCCO ROMITI

### **OVERALL ASSESSMENT PROCESS**

- Sekisui Chemical Group Procurement Policy principles shall apply to the assessment process.
- Degree of raw material supplier assessment shall be based on the level of usage of the material and importance of the material to the production process.

### **Procurement Aspects**

The Purchasing and Logistics Manager is responsible for the following aspects of the supplier assessment process:

- Evidence the supplier/manufacturer has a Quality/Environment/Safety Management Scheme in place and conforms to the Sekisui Chemical Group Procurement Policy.
- Matching of supplied product to Thai Sekisui Foam specifications, as detailed in the Raw Material database.

There are two supplier assessment questionnaires, one for goods suppliers (raw materials) and the other for services (contracted freight).

The relevant Supplier Assessment Questionnaire is to be sent out to potential suppliers by the Purchasing and Logistics Manager. Suppliers shall complete the questionnaire, sign the declaration and provide documentation as requested.

Suppliers are also re-sent the assessment questionnaire at least tri-annually to ensure relevant documentation such as ISO 9001/ISO 14001 certificates, MSDS, and REACH declarations are kept current.

### **Supplier Reference Database**

Details of potential and approved suppliers are to be kept on a Supplier Reference Database by the Purchasing and Logistics Manager.

- Approved suppliers are annually reviewed against DIFOT performance, and any quality and environmental non-conformances.
- Approved suppliers are tri-annually reviewed against provision of up-to-date documentation (e.g. declaration, MSDS) and certificates (ISO 9001, ISO 14001).
- Under-performing suppliers shall be removed from the preferred supplier list.

### **Technical Aspects**

The Technical Manager is responsible for technical aspects of the supplier assessment process:

- Appropriate production trialling.
- Appropriate testing of applicable properties in finished product, e.g. flammability or thermal conductivity testing of foam.



## ASSESSMENT FOR ENVIRONMENTAL PARAMETERS

### 1. All Suppliers

- Current ISO 14001 certificate.
- If supplier is not ISO 14001 certified, evidence is required that an Environmental Management System conforming to ISO 14001 is being implemented. Documents to be supplied include Environmental Policy statement and List of Environmental Objectives and Targets.

### 2. Raw Materials Suppliers

- Current ISO 14001 certificate from supplier or from manufacturer if the supplier is an agent/distributor.
- If supplier/manufacturer is not ISO 14001 certified, evidence is required that an Environmental Management System conforming to ISO 14001 is being implemented. Documents to be supplied include Environmental Policy statement and List of Environmental Objectives and Targets.
- Signed declaration from the supplier that the raw material does not contain hazardous substances as defined by relevant global legislation or industry directives.
- Further legislation/industry directive compliance evidence may also be required in the form of test certificates from ISO 17025 certified test laboratories. The list of hazardous substances includes (but is not limited to) the following:
  1. Current Substances of Very High Concern (SVHC) Candidate List as mandated by REACH regulations.
  2. Current EU Restriction of Hazardous Substances (RoHS) List.
  3. Volatile Organic Compounds (VOCs).
  4. Poly Aromatic Hydrocarbons (PAHs).
  5. Halogens.
- Raw materials packaging:
  1. For plastic bags, use LDPE (Resin ID Code 4).
  2. Avoid plastic/paper composites.
- Transport packaging:
  1. Avoid wooden crates.



## **SEKISUI CHEMICAL GROUP PROCUREMENT POLICY**

Procedure Created:	ID#:
Created by: SONGKLOD UTTARAPART	Approved by: ROCCO ROMITI

Sekisui Chemical Group will perform its procurement of goods according to the following five basic ideas (openness, impartiality and fairness, compliance with laws and regulations, mutual trust and environmental considerations). We will strengthen our harmonious and mutually beneficial partnership with our business partners through fair transactions.

Also, Sekisui Chemical Group will engage in the promotion of CSR activities through the cooperation of business partners in the Group's procurement activities.

### **PROCUREMENT POLICY**

#### **Openness**

Sekisui Chemical Group opens its doors not only to domestic companies but also widely to overseas companies.

#### **Impartiality and fairness**

Sekisui Chemical Group selects business partners based on impartial and fair evaluation standards with emphasis on quality, price and delivery lead-time, services, etc., as well as environmental considerations.

#### **Compliance with Laws and Regulations**

When engaging in purchasing transactions, Sekisui Chemical Group will comply with relevant laws, regulations and administrative instructions in Japan and overseas.

#### **Mutual Trust**

Along with conducting transactions with mutual trust and in fulfilment of contractual obligations, we will build and maintain a relationship with our business partners that allow for our mutual profitability.

#### **Environmental Considerations**

Sekisui Chemical Group will further promote the purchase of raw materials and goods that have minimal negative impact on the environment and strive to establish a resource-recycling society through concerted efforts with business partners. Sekisui Chemical Group Procurement Policy principles shall apply to the assessment process.

### **A REQUEST TO OUR BUSINESS PARTNERS CONCERNING PROCUREMENT**

The company is aware of CSR in all spheres of its business operations based on its philosophy of contributing to society through its business activities. To do so, it is absolutely necessary to engage in activities in mutual cooperation with business partners. We ask all business partners to carry out the following activities proactively.

#### **Securing Excellent Product Quality**



Establish a quality assurance system to improve and maintain the quality of products offered to customers.

- Establish a quality assurance system in conformity with ISO 9001.

#### Environmental Considerations

Sekisui Chemical Group is working to reduce negative impact of its products on the environment from the development and production stages to disposal. To do so, the environmental consideration of our suppliers concerning raw materials and goods is essential.

- Environmental management system in conformity with ISO 14001.
- Reduction of harmful chemical substances, etc.; procurement of goods and materials with minimal environmental impact.

#### Compliance with Laws, Regulations and Social Customs

Suppliers are requested to ensure compliance with relevant laws, regulations and appropriate social norms of the countries and regions in which they conduct business operations.

- Compliance with relevant laws and regulations in the business operations.
- Prohibition of forced labour.
- Prohibition of child labour.
- Prohibition of discrimination toward employees.

#### Safety and Hygiene

Quality is built through human resources and facilities. The safety management of these resources is the basis of production. Business partners are requested to perform the following:

- Safety and hygiene control of the workplace and maintenance of employee health
- Machine safeguarding and safety and hygiene control of facilities
- Appropriate response to labour disasters, facility disasters, accidents, etc.



## **DOCUMENT HISTORY**

<b>Amendment Name</b>	<b>Introduce Date</b>	<b>Revision #</b>	<b>By (Person)</b>
All EMS procedures consolidated into one manual and updated where applicable to comply with ISO 14001: 2015	25/08/17	00	Graeme Wood
Inclusion of contracted freight	28/11/17	01	Graeme Wood
Edit company name to use for Thai Sekisui Foam	1/09/18	02	Songklod Uttarapart