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		A Revision	23 JAN 2024 Date



# Veolia Water Technologies & Solutions

## Supplier Quality Manual

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## 1. Purpose and Scope

The purpose of this procedure is to establish Supplier Quality requirements for Veolia Water Technologies and Solutions (VWTS) purchased direct materials, products, and services used in VWTS products.

Upon acceptance of a VWTS purchase order, the Supplier agrees to comply with all the requirements outlined within this document. The Supplier also agrees to pass on the requirements of this document in any subcontracting or supply contracts. These guidelines are valid for all VWTS locations worldwide. The general requirements outlined herein do not supersede conflicting requirements provided by VWTS (Ex. contract, drawing, applicable engineering specifications, process specifications, or applicable long-term agreements).

This manual shall be used in conjunction with the supplier's quality system. The function of this manual is to define the interface and communication methods between the supplier and VWTS and is not a stand-alone quality system.

To avoid any confusion or doubt, this manual supplements VWTS's Terms and Conditions of Purchase (T&Cs), which apply to every Purchase Order (PO). The terms set forth in the PO shall take precedence over any additional or different terms in any other document connected with any transaction between VWTS and its Suppliers, unless such additional or different terms are: (a) part of a written agreement which has been negotiated between the parties and which the parties have expressly agreed may override these terms in the event of a conflict; or (b) set forth on the PO to which these terms are attached.

Full compliance from all Suppliers is expected at the time this document is issued.

## 2. Order of Precedence for Order Acknowledgement and Contract Review

In the event of conflicting requirements, the following order of precedence shall be followed:

1. Purchase Order (or written agreement which has been negotiated between the parties and which the parties have expressly agreed may override these terms in the event of a conflict)

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2. Drawings, purchase specification or other part or assembly specific document (as applicable)
3. This document
4. Other Veolia Water Technologies & Solutions standards provided or referenced.
5. Industry standards referenced.

### 3. Roles and responsibilities

#### 3.1. Supplier

**Supplier shall be responsible for the following:**

- Provides all parts, documents, and services as outlined in Purchase Order (PO), drawings, and/or specifications.  
**Note:** Unless otherwise specified, refers to the corporation, company, partnership, sole proprietorship or individual with whom VWTS places a PO. **All supplier documentation submitted to Veolia Water Technologies and Solutions must be issued in English.**
- Nominate and communicate a primary point of contact related to Quality correspondence.
- Propose corrective actions in case of nonconformities and carry out Root Cause Analysis (RCA) in the event of systemic and/or recurring anomalies.
- Plan and carry out the monitoring and measurement of Suppliers' activities and their performance (ex. Audits, Inspections, KPIs monitoring, etc.).
- Implement Quality Improvement Plans (QIP) in case of insufficient performance.

If Supplier elects to purchase products and/or services or to subcontract supply to support the **fulfillment** of a VWTS PO, Supplier is fully responsible for qualifying and the surveillance of **their** Suppliers to all VWTS documented requirements (including those in this document) and notifying VWTS of this qualification.

**NOTE:** VWTS reserves the right to:

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- Review Supplier process for selection, qualification, and surveillance of Sub-Suppliers.
- Approve or disapprove Sub-supplier qualifications.
- Audit and monitor the Sub-supplier processes and facilities when deemed necessary.

This requirement also applies if the Supplier is a sales representative, distributor, or toller that procures from Sub-suppliers for direct manufactured parts, materials, assemblies, or services used in VWTS products.

## 3.2. VWTS

VWTS has identified specific functions which are responsible for communicating with Suppliers and addressing specific matters. These functions and their responsibilities are outlined below:

### 3.2.1. Supplier Quality Engineer

- Communicates Quality requirements to the Supplier
- Serves as the key interface with the Supplier for Quality
- Communicates qualification acceptance to the Supplier
- Coordinates process improvements, non-conforming material dispositions, corrective actions, auditing, Supplier engagement initiatives, and Supplier assessments
- Carries out Supplier inspections and audits as required

**Note: VWTS reserves the right to utilize third parties to carry out some or all the items above.**

### 3.2.2. Buyer

- Issues PO for product qualification and production orders
- Manages and communicates PO changes
- Monitors and reports on-time delivery performance (OTD)

### 3.2.3. Category Manager

- Owns overall relationship with Supplier
- Negotiates price, delivery, terms, conditions, and contracts

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- Ensures quality requirements are included in contracts
- Provides input related to Supplier engagement initiatives and Supplier assessments

#### 3.2.4. Engineer

- Responsible for drawings, specifications, CAD files, which could include critical to quality (CTQ) characteristics or key quality characteristics (KQC).
- Approves: Use-As-Is (UAI) dispositions related to non-conformities, document modifications, Supplier deviation or waiver requests, ITPs (where appropriate), First Article Inspection, product validation, and Supplier qualification requirements (as required)
- May communicate with Supplier regarding technical matters. (Note: Should be done with SQE’s knowledge)
- Communicates Engineering Changes

## 4. Supplier Onboarding and Selection

Veolia Water Technologies and Solutions requires all suppliers to establish, implement, and maintain a program to select and onboard their suppliers. This should take into consideration how the Supplier manages quality in accordance with VWTS requirements, technical competence, compliance to all applicable laws and requirements (examples: ROHS, REACH, Conflict Minerals, etc.) for the materials provided and customers serviced. The Supplier may, at any time, be required to demonstrate this process.

### 4.1. Supplier Value & Risk

Veolia Water Technologies and Solutions requires all suppliers to participate in the Supplier Value & Risk (SV&R) process to assess the External Provider’s conformance with laws, regulations, and Veolia WTS expectations. The SV&R process is part of the external provider onboarding qualification and is also used for monitoring and surveillance purposes. The SV&R is evaluated using VWTS external provider Self-Assessment or conducting onsite or remote audits.



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The Veolia WTS Supplier Value & Risk process is in place to help deliver the following outcomes:

- Ensure external provider’s site is compliance with all applicable EHS laws practices and local regulations
- Select sources with consideration of their ability to run humane, safe, and environmentally responsible operations.
- Verify the external provider’s capacity to extend their practices related to EHS, Labor and Regulatory matters through to their sub-suppliers, reducing impacts to our customers, VWTS, people’s safety, people’s rights, and the environment.

## 5. Quality Expectations and Communication

Veolia Water Technologies and Solutions requires all Suppliers to establish, implement, and maintain a quality management system which complies with current ISO 9001 requirements. However, VWTS prefers third party endorsement of the Supplier Quality Management System (Ex. ISO 9001 certification). All expectations communicated in this section shall be communicated to all subcontractors and business partners that participate in the fulfillment of contracted obligations.

### 5.1. Quality System Requirements

#### 5.1.1. Document Control

VWTS Requires Suppliers to control documented information necessary to provide objective evidence of compliance to the Supplier’s quality system, VWTS requirements, and regulatory compliance.

Documented information includes, but is not limited to records, procedures, drawings, specifications, etc. (paper and electronic)

Supplier shall control all Documents, to ensure:

- Documents are relevant and available for use, where needed.

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- Documents are adequately protected from loss of integrity, improper use, and loss of confidentiality.
- Documents are protected from unintended alterations.
- Documents are retained and disposed of in accordance with laws, regulations, and VWTS requirements.

**Documents shall:**

- Include Identification and Description, to include:
  - Title
  - Reference number
  - Revision / Date issues
  - Author (initial release and changes)
- Be reviewed and approved for adequacy prior to release

**5.1.2. Communication of Requirements to Sub-suppliers**

All requirements in this document and other contracting documents provided by VWTS as specified in Section 2, shall be communicated (as applicable) to all sub-suppliers. In the case that a sub-supplier uses another sub-supplier to provide VWTS materials or services, all applicable requirements shall be communicated. This includes, but is not limited to, the list of examples below.

- Technical specifications, drawings, etc.
- Inspection Test Plans (ITPs)
- Functional Test results
- VWTS and/or Third-Party Inspections
- Material Test Reports (MTRs)

**5.1.3. Change Management**

VWTS requires all Suppliers to maintain and utilize a defined process to control changes to controlled Documents and Processes within their organization. This should include a Process that documents the changes made, approvers of changes, and evidence of traceability to each change. This shall include traceability of materials or processes in various configurations throughout the product or service life cycle. Documented evidence shall be maintained for all changes to controlled Documentation and Processes. This may be reviewed as needed by VWTS.

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#### 5.1.4. Process Changes

External Providers shall proactively communicate any changes to supplied products, materials, components, processes, or outsourcing decisions that may impact form, fit, function, performance, and/or durability.

VWTS reserves the right to reject proposed changes to supplied products, materials, components, or processes where there is insufficient evidence of qualification, verification, validation, or when results in the submitted documentation are not acceptable to VWTS.

**Note:** This clause applies to sub-suppliers.

#### 5.1.5. Product, Process, and Specification Change Requests

Prior to making any changes, External Providers shall proactively submit change requests to VWTS Supplier Quality for approval. VWTS Supplier Quality, with the support of the VWTS Technology function, will screen all requests to determine if the change request has a direct impact on the fit, form, or function of VWTS end products or solutions. This includes, but is not limited to, changes to any of the following:

- Products
- Sub-components
- Materials
- Processes
- Specifications

#### 5.1.6. Deviation and Waiver Requests

VWTS expects that External Providers submit formal requests for deviation or requirement waivers in advance of products or materials being produced or shipped. External Providers shall submit the following information, at a minimum, to request a temporary deviation or waiver:

- Requirement statement (i.e. what was expected by VWTS)
- Deviations or Waiver details (i.e. what differs from VWTS expectations)
- Detailed reason for request
- Impact (ex. Quantity, Period of Time, Lots, Cost, Schedule Impact, etc.)
- Purchase Orders and Lines affected

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### 5.1.7. Responsiveness

VWTS expects External Providers to be responsive, which is a key measure of performance. In general, VWTS expects External Providers to respond to issues related to immediate quality concerns within a period of 15-calendar days (ex. an NCMR containment plan and to provide commercial disposition such as scrap, return, or rework/repair at Supplier’s cost).

As it pertains to Supplier Corrective Action assignment, a period of 30-calendar days shall apply for formal root cause, containment, and corrective action plan submission.

### 5.1.8. Distributors, Brokers, Tollers, and Manufacturing Representatives

VWTS defines requirements for each product, process, and services and qualifies External Provider’s product, process and/or services in terms of those requirements. Whenever samples are approved, the following orders will have to reflect the specification approved during the qualification process. The qualification process will consider the requirements demanded by VWTS, Regulatory agencies, VWTS customers, and all applicable Standards.

Distributors, Brokers, Tollers, and Manufacturing Representatives must comply with all the items described in this document and with the T&Cs in the contract.

VWTS may decide to execute an inspection or audit at Sub-suppliers facilities to ensure that VWTS expectations and standards are in conformance.

Tollers are obligated to follow VWTS production process and requirement and to immediately communicate deviations or issues observed in the production process or in the final product. Any opportunity, such as process optimization, cost savings and/or quality improvement, must be communicated to and approved by VWTS before any change is implemented.

## 5.2. Process and Product Qualifications

### 5.2.1. Production Part Approval Process (PPAP)

VWTS requires all Suppliers to participate in the Production Part Approval Process (PPAP) when requested. The PPAP process is used by VWTS to establish confidence in manufacturing processes and controls of our External providers.

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This is realized through the VWTS review of the non-exhaustive list below. Not every requirement will be applicable. Please consult VWTS SQE for clarification of any requirements as needed

- Control Plans
- Design Failure Mode and Effects Analysis (DFMEA)
- Process Failure Mode and Effects Analysis (PFMEA)
- First Article Inspection (FAI)
- Process Flow Diagram (PRD)
- Process/manufacturing Documents
- Statistical Process Control (SPC)
- Lab and Test Reports
- Special Process Inspection
- Non-destructive Testing Results
- Change management
- Other additional requirements determined by VWTS

Nonconformances in submitted Documentation shall be handled in accordance with **Section 7 Control of Nonconforming Materials**

When all required materials are deemed to be acceptable to the contracted requirements, a Part Submission Warrant will be generated. This is considered an approval of the PPAP and clears material for serial manufacturing.

### 5.2.2. Inspection and Test Plan (ITP) Process

VWTS requires all suppliers to complete an Inspection Test Plan (ITP) when requested on a PO. An ITP is a Quality Document that outlines the additional Quality requirements and deliverables to be submitted for review and at times approval by VWTS prior to shipment, unless otherwise outlined in the PO or other contract Documents. This Document is required to be completed unless other arrangements have been made and contracted.

ITP's may consist of but are not limited to the following items

- Subcontractors to be used
- Manufacturing and production procedures
- Special process inspection
- Dimensional reports
- Test reports

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- Hold points requiring inspection by VWTS or representative
- Nonconformance Reports
- Other documented evidence as defined by VWTS SQE

Consult VWTS SQE for any questions pertaining to ITP's as necessary

### 5.2.3. Special Processes

VWTS indicates the list below of the most common Special Processes used in the manufacturing of contracted materials. As such any other Processes not mentioned where the resulting output cannot be verified by subsequent monitoring or measurement, must be controlled and monitored in accordance with section 5.1.11

- Welding, Soldering, Brazing
- Painting
- Plating
- Pickling / Passivation
- Non-Destructive Testing (NDT)
- Rubber Lining
- Castings
- Heat Treating

VWTS requires External Providers to assure that Documentation supporting process control of Special Processes are available prior to initial processing. This documentation shall include but is not limited to the following:

- Training/Certification of operators and inspectors to specific contracted requirements or if not indicated, other industry standards
- Procedures which cover:
  - Setup and process parameters
  - Inspection requirements
  - Nonconforming material control

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#### 5.2.4. Certification Requirements for Materials, Parts, Products, and Processes

VWTS requires External Providers to manage and maintain Certifications in accordance with all contracted requirements for the materials purchased to fulfill contractual obligations. This shall include but is not limited to the following:

- **Part and Product Certifications**
- **Material Certifications**
- **Process Certifications**
- **Certificate of Compliance/Analysis**

## 6. Delivery Requirements

### 6.1. Documentation

**VWTS requires the following Documentation to accompany all shipments.**

- Bill of Lading
- Certificate of Analysis / Certification of Conformance
- Packing List
- Commercial Invoice
- Certificate of Origin
- Export/Import Customs Declaration / License (as required)
- Safety Data Sheets (as required)
- First Article Inspection Reports (as required)
- Inspection / Test Reports

#### 6.1.1. Material Shipped direct on behalf of VTWS

External Providers that ship manufactured products (e.g. chemicals) on behalf of VWTS must ensure that the product identification and relevant paperwork refer to VWTS in the needed extension. External Providers can contact VWTS Procurement to obtain labels and appropriate Shipping Documents and/or their templates as needed. **Contact VWTS Procurement contact for support.**

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## 6.2. Product Preservation

VWTS relies on the knowledge & expertise of its External Providers and their agents who are responsible for packaging/handling to ensure that items are packaged safely, in a manner that prevents damage, preserves items, and is compliant with all applicable laws & regulations. The External Provider is responsible for safe and compliant packaging (from origin to final destination), and all associated costs. For questions on these requirements, the supplier should contact their VWTS Procurement Contact or Supplier Quality Engineer to discuss their concerns.

## 7. Control of Nonconforming Materials

### 7.1. Notification

Suppliers shall immediately notify VWTS Buyer and Supplier Quality of all direct product and material nonconformances discovered.

### 7.2. Containment

Suppliers shall clearly identify nonconforming products and materials and segregate it to prevent:

- Unintended use or additional processing
- Unintended escapes internally to their own operation and externally to Sub-suppliers or VWTS

**Supplier shall also take immediate action to prevent further propagation of the nonconforming condition within their operation.**

### 7.3. Corrective Action

Suppliers shall take action to prevent recurrence of product and material nonconformances. This shall include a reasonable effort to identify the root cause(s) of the nonconformance and a plan to prevent recurrence of the identified cause(s).



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## 7.4. Liability

If any purchased goods and/or services furnished pursuant to the Agreement or an Order are found within a reasonable time after delivery to be defective or otherwise not in conformity with the requirements of the Agreement or the applicable Order, then Veolia WTS, at its option may: (a) require the Supplier, at its expense, to immediately re-perform any defective portion of the services and/or require Supplier to immediately repair or replace non-conforming goods with goods that conform to all requirements of the Agreement and Order; (b) take such actions as may be required to cure all defects and/or bring the goods and/or services into conformity with all requirements of the Agreement and applicable Order, in which event all related costs and expenses shall be for Supplier's account; (c) reject and/or return at Supplier's risk and expense all or any portion of such goods and/or services; and/or (d) rescind an Order without liability. For any repairs or replacements, Supplier, at its cost and expense, shall perform any tests requested by Buyer to verify conformance to the Agreement and Order.

## 8. Supplier Monitoring and Measurement

### 8.1. General Requirements

External Providers shall ensure that externally provided processes, products, and services conform to VWTS requirements. This includes the need to:

- Apply required criteria for verification or other activities, to ensure products, processes, and services meet requirements
- Determine and implement criteria for the evaluation, monitoring, and re-evaluation of performance of both the External Provider and their external suppliers in order to ensure requirements are met and that processes remain within the control of their Quality Management Systems.

### 8.2. Audits and Assessments

External Providers shall determine and implement:

- A process for screening and selection of external suppliers to ensure they can meet requirements

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- A process for on-going screening and assessment of external suppliers to ensure they meet requirements

### 8.3. Quality Key Performance Indicators (KPIs)

External Providers shall determine, monitor and measure key processes that directly impact VWTS, to include but may not be limited to:

- Product, process, and service non-conformances
- Delivery performance
- Issue Responsiveness
- Supplier Performance

## 9. Definitions and Acronyms

### 9.1. Acronyms

CTQ	Critical to Quality characteristics
FAI	First Article Inspection
ITP	Inspection and Test Plan
KQC	Key Quality Characteristics
NCMR	Nonconforming Material Report
PPAP	Production Part Approval Process
PO	Purchase Order
RCA	Root Cause Analysis
SQE	Supplier Quality Engineer
UAI	Use As Is
VWTS	Veolia Water Technologies and Solutions

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## 9.2. Definitions