

## Supply Chain Policy

### Speedy Group Policy

#### Part of: Group Policies & Procedures

**Policy Owner:** Director of Supply Chain

**Version:** 5.0821

**Owner Division:** Supply Chain

**Lifecycle:** 12mnths

**Next review:** 08.22

### Policy Overview

The purpose of this policy is for the satisfactory operation of Speedy. To communicate effectively and outline clearly to all employees and suppliers to ensure the requirements of the Group are handled in a transparent, timely, efficient and effective manner, in order to obtain the best value for the materials, goods and services that Speedy purchase from and to maintain the highest ethical standards, in dealing with its suppliers. The fundamental goal is to obtain the right products and services for the stated purpose; at the right time, to be delivered to the right place and at the right cost; in a manner that balances the overall requirements of Speedy, its employees and Speedy Customers.

For the avoidance of doubt, within the Policy, purchasing means the selection of contractors, manufacturers, suppliers, distributors, consultants, agents and dealers to supply specific goods or services for Speedy's internal consumption and including the outward delivery to the Speedy customer. Purchasing includes the negotiation of pricing, terms and conditions of a contract, statement of works, entering into contracts and the administration and management of such contracts together with any ancillary financing agreement.

On a worldwide basis, purchased goods and services are Speedy's largest expense. Therefore it is imperative that Speedy use its purchasing leverage to ensure that goods and services are procured at the lowest cost, highest quality and optimal service, including delivery.

Speedy undertakes to adopt this statement of good practice in all dealings with current and potential suppliers and all Speedy businesses.

Speedy commit to work to the following principles:

- To do business in accordance with the highest standards of honesty, integrity, impartiality and business ethics
- To be fair, efficient and courteous in dealing with all parties
- Look to lead and develop long term relationships within the supply chain leading to detailed continuous improvement programmes
- Develop a two-way contract management process with key suppliers
- Resolve all disputes in a non-adversarial manner
- Recognise excellent supplier performance and innovation through relationship development and repeat business opportunities
- To achieve the highest professional standards in the management of contracts
- Pay promptly in accordance with agreed business terms and legislation.

The principles that we will commit to work together to follow:

- Develop a culture that will:
  - Provide a safe & healthy workplace
  - Deliver a right first time culture
  - Combined customer solutions
  - Measure performance of both parties
  - Manage risk
- Deliver to agreed dates, cost and quality
- Reduce costs and eliminate waste
- Develop and deliver innovative products and solutions

## 1. Objectives

Our supply chain vision is not constrained within the boundaries of our industry and we are committed to establishing a best-in-class supply chain, learning from the world leaders in the field. This sets a high standard.

There is always scope for improvement, reducing waste, increasing efficiency and concentrating on delivering the products as speedily as possible so that we can exceed our customers demand. Indeed servicing our customers better will be the starting point for all our initiatives. Our aim is to strive for continuous improvement in ever more efficient and responsive supply chains: one that is closer to our customers (internal and external), simple in design and faster in delivery.

To fulfil our ambitions we recognise the importance of developing close collaborative relationships with our partners as it is only through working together that we shall reach our vision. We expect our teams, working closely with our supply chain partners, to deliver real value and service to our customers. This means that we must work in collaboration to deliver a common set of goals through everything we do in the supply chain. This will require the building of good relationships at all levels within our own, the customer's and supplier's organisations. We will demand active support to enable us to strive for continuous improvement through collaboration, innovation and determination.

This document sets out how we intend to implement the necessary improvements and work with our partners. We do not want to work with suppliers: we want to work with partner organisations that can demonstrate a true commitment to support our ideals.

## 2. Standards

### 2.1 Sustainable procurement

We recognise that to be a true partner to our customers and to have the ability to offer industry leading products, services and solutions, means also having a close working relationship with our suppliers.

We are working with our employees, our customers and our suppliers to ensure that sustainability sits at the heart of everything that they and we do. This means a commitment to reducing carbon, increasing efficiencies, trading safely and ethically and ultimately helping our customers become the organisations they aspire to be. We're doing this because we understand the world has to change to meet a new set of social, environmental, economic and climate challenges. At Speedy, we are ready to play our part.

Improved environmental performance, products safer in design and use, a creative approach to delivery patterns, product packaging and more sustainable supply chain activity are huge factors in building customer relations and sales. We are delighted to have some of the best suppliers in

our industry working with us as we actively look to approach the challenges and opportunities, which are inherent in our industry.

## 2.2 What Speedy expects from its suppliers

The principles that Speedy expect suppliers to commit to follow are outlined within Supply Chain's Codes of Conduct and Supplier Charter. Supplier suitability and performance is assessed as part of the procurement process:

### 2.2.1 Regulatory compliance and business integrity

Speedy's key suppliers will be required to share the same beliefs and ethics as to help build successful relationships. All key suppliers are expected to adhere to the terms of the Speedy Supplier Charter and applicable Codes of Conduct.

Key Speedy suppliers will be required to either by contractual agreements, codes of conduct or business transactions with Speedy, to:

- To provide a safe and reliable product in compliance with all applicable laws, regulations, guidelines and other local requirements and in accordance with industry best practice in the countries in which Speedy operate
- Conduct their business operations with the highest levels of honesty and integrity
- Comply with all applicable local and national legislation and laws
- Protect our personal data and that of our customers in accordance with GDPR
- Develop a two-way contract management process and submit all documentation as requested
- Follow anti-bribery and corruption legislation and clauses as set within terms of business with Speedy – never offer, promise, give, accept, condone or knowingly benefit from or demand any bribe or unfair advantage
- Never offer facilitation payments unless required under local written laws.
- At all times comply with the Modern Slavery Act 2015 and shall implement due procedures for its own suppliers, subcontractors and other participants in its supply chains, to ensure that there is no slavery or human trafficking in its own supply chains.
- Cooperate with Speedy and the Supply Chain team as required
- Commit to the development of continuous improvement and innovation programmes with Speedy to develop our product and service offering
- To deliver all goods and services to agreed specification, quality, on time and at the agreed cost
- Never attempt to solicit any customer, subcontractor, agent or employee of Speedy without prior written consent from Speedy with a view to supplying any service which would be deemed to be in competition to Speedy's service offering

### 2.2.2 Health & Safety

Key Speedy suppliers will be required to either by contractual agreements, codes of conduct or business transactions with Speedy, to:

- To provide a safe and reliable product in compliance with all applicable laws, regulations, guidelines and other local requirements and in accordance with industry best practice in the countries in which Speedy operate
- Submit all product documentation as required by either legislation or contractual agreements
- Provide a safe and healthy working environment for all persons who use their premises, ensuring adequate welfare facilities are provided for people at work in accordance with applicable legislation
- Carry out sufficient steps to reduce risk and prevent accidents and ill health of those affected by your business operations and working environment.
- Consult with employees about their risks at work and current preventive and protective measures

- Provide employees and those carrying out business activities on your behalf appropriate and sufficient instructions, training and supervision where necessary, consistent with the activities being undertaken and how to reduce risks identified
- Provide employees and those carrying out business activities on your behalf suitable and sufficient Personal Protective Equipment (PPE) and sufficient instructions on how to use them, consistent with the activities being undertaken and risks identified
- Communicate all product and/or service related issues directly impacting Speedy's business operations to Speedy Supply Chain to allow suitable control measures to be implemented

All Speedy suppliers may be subject to audits of products and services and systems the organisation has in place. Speedy will not do business with any organisations in breach of applicable legislation or who pose a potential threat to the integrity of Speedy's organisation.

### **2.2.3 Equality and diversity**

Key Speedy suppliers will be required to either by contractual agreements, codes of conduct or business transactions with Speedy, to:

- Ensure all employees have the right to equality of opportunity and to be treated with dignity and respect whilst at work and decisions about recruitment and selection, promotion, training and career management or any other benefit will be made objectively on merit and without unlawful discrimination
- Ensure suitability of facilities for those who may come in to contact with their organisation
- Promote equality and diversity throughout the organisation and ensure that all employees show dignity and mutual respect towards each other whilst at work and in all working practices
- Ensure fair pay and benefits for all and establish a suitable system for remuneration and benefits, training and personal development of employees
- Comply with local and national labour regulations with regards to your obligations and those working for your organisation
- Respect local working conditions and the environment in which you are trading, in particular those countries with extreme climates
- Ensure all goods and products are sourced from organisations which do not use forced, compulsory or child labour and ensure that they comply with all applicable human rights and labour laws.

### **2.2.4 Transacting (Speedy personnel)**

The "Group" "Supply Chain Team" is the sole authorised department of Speedy to negotiate pricing and commercial contract terms for the purchase of materials, goods and services on behalf of the group.

In no circumstances should any member of Speedy commit the company to a purchase without the required level of authorisation being sought as detailed within the Delegation of Authority Policy.

The management of Supplier relationships and agreements is the responsibility of Supply Chain.

Speedy operate a No PO- No Pay policy. This means that you must issue the Supplier with an official System generated Speedy purchase order. Without this the Suppliers invoice will not be processed, leading to delays in payment and possible court action. This therefore will have a negative effect not only on the Supplier relationship and supply moving forward but may also result in the removal of Speedy's credit facilities.

It is necessary to raise Purchase orders in order to forecast spend against budget and also to manage the company's cash flow, therefore if you are not raising a purchase order, any

unexpected costs that have not been forecasted, will result in budgets being exceeded and therefore reduced in order to maintain a steady cash flow in line with the pre-approved budgetary requirements.

Any employee requesting goods or services without firstly obtaining the necessary approval and supplying an official System generated purchase order may be subject to disciplinary proceedings.

It is the responsibility of the person requesting goods or services to ensure that prior to requesting the supply of goods or services, that there is a supplier account open which is set to "Trading" on System.

Approved purchasing processes must be used in every case, to ensure that the Supplier is selected objectively.

Approved agreements and pricing, developed by Supply Chain Team, will be used, to ensure that the company's (i) interests are fully protected and (ii) purchasing initiatives are appropriately implemented.

Agreements provided by Suppliers should only be used in exceptional circumstances and only the Supply Chain Team or the Legal Department are authorised to sign such agreements.

Letters of intent, which are by definition non-binding, are discouraged and should not be used without the prior approval of the Supply Chain team and Legal Department.

Only members of the Supply Chain team or the Legal Team may sign purchase agreements on behalf of the company. Agreements signed by unauthorised personnel as well as oral commitments, compromise the company's ability to control the process by which it incurs obligations and expose the company to unnecessary risks.

A pro-forma invoice is a document that states a commitment from the seller to provide specified goods to the buyer at specific prices and is generally used to obtain advance payments. This may be at the start of production or for security of the goods being produced to secure payment prior to delivery taking place.

Pro-forma payments are often required for international trade as a customs declaration form.

Pro-forma payments will only be made in extreme circumstances and should be treated as an exception to the rule and not normal business practice

### 2.3 Delegated Approval Authorities

All procurement activities are governed by the Speedy Delegation of Authority. The levels of authority are strictly enforced and can only be altered by the Chief Executive Officer or the Speedy Hire Plc Board.

All Speedy employees must ensure that they are fully conversant with their authority levels as defined in the Delegation of Authority document.

### 2.4 When to involve Supply Chain

- Sourcing new requirements from a new or existing supplier
- New Supplier selection
- Where personal data may be processed under the supply
- Bids:
- Supplier Contracts:



- Statement of works
- Purchases:
- Strategic Suppliers:
- Capital Expenditure:
- New Products

## 2.5 Supplier selection and sourcing

Selecting the correct suppliers and partners is key to Speedy's business and so we expect our teams, working closely with our supply chain partners, to deliver real value and service to our customers. This means that we must work in collaboration to deliver a common set of goals through everything we do in the supply chain. This will require the building of good relationships at all levels within our own, the customer's and supplier's organisations.

### 2.5.1 Supplier selection

Speedy will ensure that the supplier selection process is adhered to when selecting new suppliers, and that:

- The selection criteria used will include, but is not limited to, price, quality of offering, health & safety performance, risk (supply and financial), suitability and innovation, business ethics, past performance and any other criteria dependant on supplier offering
- Suppliers must sign up to Speedy's Supplier Charter, applicable Code of Conduct and business specific Trading Agreement and KPIs as defined with the agreement
- Potential suppliers must submit invoices electronically in the format required by Speedy
- Selected suppliers must agree to Speedy performing auditing of services and performance to allow continuing benchmarking against Speedy's requirements and current market requirements.

Speedy suppliers must follow anti-bribery and corruption legislation and clauses as set within terms of business with Speedy – never offer, promise, give, accept, condone or knowingly benefit from or demand any bribe or unfair advantage. Any suspicions of the breach of such requirements must be escalated accordingly using Speedy's Whistle Blowing policy.

All employees must declare any conflicts of interest with any supplier agreements in place and exclude themselves from any decisions or pricing negotiations.

### 2.5.2 Supplier diversity

Speedy promote a collaborative supply chain with suppliers and partners who encourage diversity amongst their workforce. This is in addition to celebrating suppliers who are key to their local economies by sourcing and employing locally. Speedy works with local communities and embraces like-minded organisation who value their corporate social responsibility.

### 2.5.3 Supplier classification

Speedy Supply Chain will classify selected suppliers and partners as, Preferred, Approved Transactional. Refer to section 6 definitions.

Where strategic and preferred suppliers are in place, products and services will be aligned internally with such suppliers to ensure that pricing agreements and product specifications are met. Speedy employees must only use Strategic, Preferred and Approved suppliers and pre-assigned product codes when raising purchase orders. All requests for new suppliers must be completed as per Speedy Supply Chain procedures.

## 2.6 Supplier Contract Approval

To fulfil our ambitions we recognise the importance of developing close collaborative relationships with our partners as it is only through working together that we shall reach our vision. Therefore, Speedy intend to have close management of our supplier relationships and recognise the suppliers who provide best value and service to the group.

### 2.6.1 Contract discussions

Whilst Speedy do not hold 'formal' contracts with all those who supply products and services to Speedy, arrangements are held by other means. Such arrangements include, but are not limited to, purchase orders, auction agreements, terms of service, non-disclosure agreements, intellectual property agreements and letters of intent/agreement.

All Supplier pricing and agreements entered into on behalf of the Group are confidential in accordance with Competition Law and as such the content should not be divulged to any 3rd parties whatsoever. Any person found to be supplying such information, may face disciplinary action.

As per the delegation of authority policy, a tender process must be entered into for the supply of "new" products and services in order to achieve value for money and to ensure that the "right" Supplier with the "best" overall fit for Speedy is chosen. The tender process is designed to be a fair and ethical procedure to allow Suppliers to compete for Speedy business.

All Speedy Trade Agreements are created in accordance with Speedy terms and conditions of purchase contained within the applicable Codes of Conduct.

Speedy's standard payments terms are 60 days from date of invoice. Any variation from these terms must be agreed by Head of Supply Chain for Directs or Head of Supply Chain for Indirects.

### 2.6.2 Contract approval and documentation

All requests for new supplier accounts will undergo review by the Supply Chain team. The Request for New Supplier Account or Request for a Consultant or Agent process must always be followed when selecting new suppliers or partners.

Completed documentation as documented in Supply Chain procedures will be subject to review by the appointed Supply Chain Manager and the supplier assessed for suitability.

Once approved, dependant on Supplier category and/or contract value, the following will be put in place (which includes, but is not limited to):

- Trade agreements including scope of works contracted for
- Service Level Agreements
- Key Performance Indicators
- Pricing agreements
- Documentation and reporting requirements
- Other requirements (environmental, health & safety, quality)

All approvals for new suppliers will be in line with Speedy's Delegation of Authority.

## 2.7 Trading (Suppliers)

Suppliers must follow Speedy's Purchase to Pay (P2P) procedures with regards to payment for goods and services and the following must be adhered to:

- Suppliers must agree to set up a credit account on behalf of Speedy which will be paid by BACS on production of a valid VAT invoice on payment terms of 60 days from the date of invoice

- Pro-forma invoices are not acceptable by Speedy
- Following satisfactory delivery of goods or services, purchase orders must be product receipted
- All invoices submitted must contain a valid purchase order – Speedy operate a 'No PO – No Pay' policy
- Invoices must be submitted electronically in the format required by Speedy
- Any price changes must be notified to the Supply Chain Team at Speedy's Head Office at least 2 months in advance and acceptance to these changes must be confirmed by the Supply Chain team to the Supplier in writing prior to implementation of such changes.

Key Speedy suppliers will be required to either by contractual agreements, codes of conduct or business transactions with Speedy, to:

- Ensure compliance with contractual agreements as set down by Speedy
- Only supply Speedy locations with products or services when a valid purchase order has been provided complying with Speedy's 'No PO - No Pay' policy
- Suppliers must agree to set up a credit account on behalf of Speedy which will be paid as per Speedy payment terms

## 2.8 Supplier management and measurement

Supplier management and measurement processes are in place to measure and review supplier performance.

All Strategic and Preferred suppliers will have at least 6 monthly performance review meetings with their appointed Supply Chain Manager. Key Performance Indicators as set in the suppliers' trade agreement. These will be reviewed and may include product or service quality, pricing issues, delivery and invoicing queries.

Suppliers are encouraged to voluntarily communicate issues identified with any products or services supplied to Speedy.

Speedy encourages their Supply Chain partners and suppliers to continually improve through innovation and collaboration.

Any breaches of trade agreements or terms and conditions as set down within any contractual agreements (formal or informal) will be taken very seriously and may lead to termination of business with a supplier. Such breaches may be subject to investigations and/or audits and execution of corrective action plans.

## 3. Audit

Speedy will ensure that the Supply Chain department will undergo audit as part of the Corporate Risk and Assurance and other audit plans.

All audits will be planned and carried out by competent auditors. Such audits will assess the requirements against Supply Chain procedures, legal and other requirements.

Audit records will be shared as required with the Supply Chain team and corrective actions carried out where found. Records will be maintained by the Corporate Risk and Assurance Team.

## 4. Monitoring and Review



Speedy's Supply Chain process and procedures are revised as and when required and as per findings of any audit results.

The Supply Chain Team will monitor and manage the supply base by using such tools as the Supplier Register and monthly spend reports which are system generated. This will be audited periodically by the Supply Chain Director to ensure compliance.

Revision to documentation will be carried out in line with Speedy's Document Control Procedures and communicated accordingly.

Speedy Suppliers are also subject to monitoring and review and results will be discussed as required with all affected parties. These include, but are not limited to Department Heads such as Supply Chain, Transport, Property, HSSEQ, Assets, IS and Operational locations such as depots, workshops and offices.

## 5. Responsibilities

### 5.1 All employees and contractors

- All Speedy employees who have interactions with suppliers have a responsibility to ensure that they fulfil the requirements of this standard
- Ensure that when ordering goods or services, purchase orders are raised in accordance with Speedy Supply Chain procedures
- Ensure that Suppliers meet their obligations with regards to product quality, delivery, price and any other factor which may affect the service level agreement
- Must report any complaints or non-conformances to Supply Chain as per the Supplier Compliant process

### 5.2 All managers

- Management are responsible for ensuring continuing compliance with this standard as part of routine purchasing activities.

### 5.3 Chief Executive Officer

- The CEO is responsible for ensuring that this standard remains in place and continuing compliance with the standard.

### 5.4 Executive Committee

- The Executive Committee are responsible for ensuring that this standard remains in place and continuing compliance with the standard.

### 5.5 Supply Chain Management

- Are responsible for ensuring continued compliance with this standard and documented requirements of this standard are upheld and available upon request.

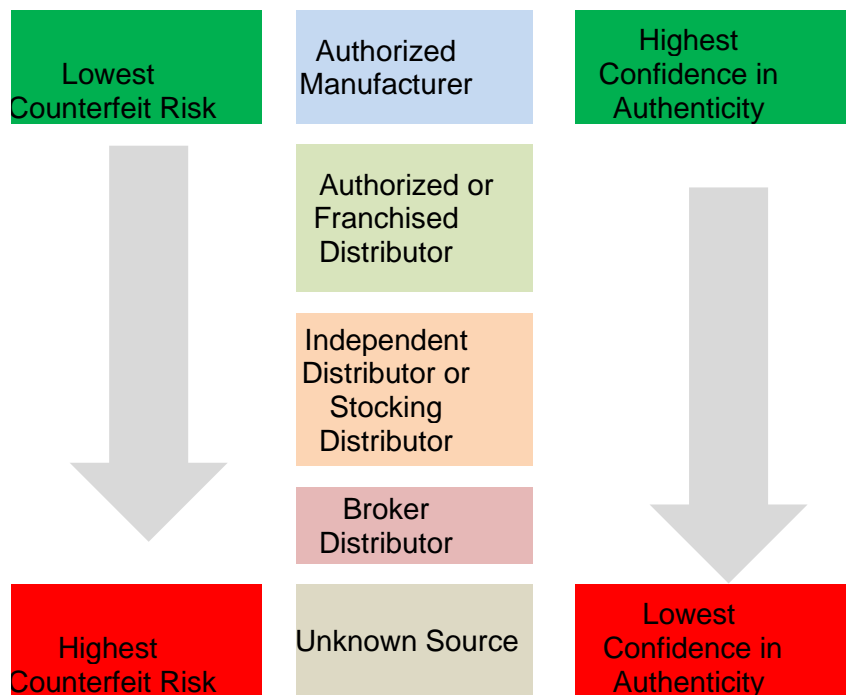
### 5.6 Supply Chain Director

- Is responsible for ensuring overall compliance with this standard and reporting exceptions to the Board.
- Is responsible for ensuring documented requirements of this standard are upheld and available upon request.
- Is responsible for ensuring that any revisions to Supply Chain procedures are documented and communicated as per Speedy procedures.

## 6. Counterfeit Product

The risk of receiving counterfeit goods has been reviewed and varies based on the supplier. The risk ladder below shows our counterfeit risk hierarchy from a supply chain, procurement and sourcing point of view.

### Counterfeit Risk and Confidence in Authenticity:



#### Speedy apply the following control measures to reduce the risks:

- Approved Suppliers list controlled by AX12
- Supplier approval process
- Suppliers term agreements
- Suppliers Code of Conduct
- Suppliers Service Level Agreement
- Random Suppliers Audits completed
- All new products have to go through our selection committee.
- Product inspections completed by depots and workshops.

## 7. Definitions

### **Approved Supplier**

Suppliers in this tier of the list will have gone through the supplier approval process and will be registered to be able to supply Speedy. These tiers will be reviewed through a supplier registration process that will consist of a marked questionnaire that will be used to decide the suppliers start point on the master supplier list. When the supplier has been established on the list, the Speedy Supply Chain team will then start the process of supplier development and relationship building that is appropriate to the status of the supplier.

### **Contract**

The contract for the supply of Goods or Services.

### **Goods**

The goods which are the subject of the Order including, without limitation, plant, machinery, equipment, vehicles and materials (including packaging), whether raw or partly or wholly manufactured.

**Group**

In relation to either party, its ultimate holding company and all subsidiary companies of that party and of that party's ultimate holding company ("holding" and "subsidiary" companies to be interpreted in accordance with s. 736 of the Companies Act 1985 (as amended)).

**Transactional Supplier**

Suppliers in this tier are where Supply Chain may not have had any involvement in setting out our requirements and commercial terms.

**Preferred Supplier**

The suppliers in this tier will be the top suppliers that Speedy Hire deems to be business critical. However these suppliers will be expected to demonstrate commitment to supporting the Speedy's business aspirations, collaborate in all aspects of business improvement, strive to improve collective performance, innovate and develop and train staff at all levels in both businesses. These suppliers will be subject to a supplier review process that will be designed to develop the relationship with the supplier more effectively to ensure that Speedy and the supplier are getting the best value and service from this relationship.

**Services**

Any services to be provided to Speedy in connection with the Order.

**Speedy**

The Speedy Group Company named in any Trading Agreement or placing any Order.

**Supplier**

The person, firm or company to whom the Order is issued.

**Supplier Register**

The register that Supply Chain record all Preferred suppliers, together with their current contract agreement status and associated rebates etc.

**Trading Agreement**

The Trading Agreement entered into between Speedy and the Supplier.

**Policy Roles**

Role	Mandatory	Contingent	Criteria
Policy Owner	Supply Chain Director		
Responsible <sup>1</sup>			
Accountable <sup>2</sup>	Supply Chain Director	Senior Supply Chain Manager	Responsible for processes
Sign off			

<sup>1</sup> The 'Responsible' roles are those people who do the work to complete the process

<sup>2</sup> The 'Accountable' roles are those people who are answerable for the outcomes of the process