

# MCLAREN

## RESOURCING

### Procurement Policy



#### Document Record

Rev	Changes	Date
1	Original	1 September 2024

# Procurement Policy



## 1. Purpose and scope

This policy governs the way we work with our suppliers – our business partners and third parties (including subcontractors). The policy applies to all employees who procure from suppliers.

## 2. Policy objectives

The way we manage our procurement and supply chain makes a huge difference to our profitability, our reputation and our success. Using business partners and third parties gives us flexibility and is integral to the sustainable delivery of client commitments.

The objectives of this policy are to:

- Make sure that suppliers comply with our supplier code of conduct, our policies and other legal requirements (including finance, health and safety, human rights and labour standards, and employment laws)
- Identify the risks associated with using suppliers and manage these risks to an acceptable level
- Ensure that the roles and responsibilities of suppliers are clearly defined and adhered to
- Ensure that the way we supply and develop our products and services reflects our sustainability objectives

Our approach to procurement is based on three principles:

- We uphold ethical business practices and comply with legislation
- We understand the risks of the services we procure and are able to respond to performance issues appropriately
- We ensure diversity is embedded within our supply chain.

## 3. Requirements

**Supplier selection:** Appointment of suppliers must be based on their ability to perform as defined as well as taking into consideration social values, ethical practices and environmental impacts. Suppliers will be encouraged to monitor the sustainable credentials of

their own suppliers.

**Manage contracts:** Contracts must address the key issues including expectations, performance, scope of work, and deliverables. Confirmation should be sought regarding understanding of and adherence to the following policies: ethical business practice, sustainability, people, information, compliance, physical asset management and health and safety. All contracts must protect our physical and intellectual property and data.

**Extend opportunities:** Equal opportunities for small and medium sized businesses, minority owned businesses, social enterprises and the voluntary and community sector will be provided.

**Manage subcontracting:** Ensure that any right to subcontract included in the contract is bound by the same terms and conditions and is expressly agreed and approved prior to commencement. Before subcontractors are appointed, a risk assessment must be carried out and mitigation measures put in place. Ensure governance: There must be a defined governance structure in place to manage strategic and core suppliers

**Monitor suppliers:** Suppliers must be monitored to ensure that the supply chain risk is managed within our risk management framework.

## 4. Responsibilities

**The MD** is responsible for:

- Reviewing, endorsing and achieving this policy's aims.
- Administering this policy
- Developing and rolling out the supporting strategies to drive continual performance improvement. Procurement Managers are responsible for:
  - Driving, adopting and sharing best practice purchasing and supply standards and initiatives;
  - Developing mutually beneficial collaborative trading relationships with suppliers
  - Monitoring the evaluation and assessment of suppliers' supply practices including ethical, sustainable measures

S. Smith

Director

September 2024

# Procurement Policy



**Business Managers** are responsible for:

- Ensuring that this policy, supporting procedures and corrective actions are implemented and complied with

**Contract Managers** are responsible for:

- Implementing and enforcing the processes and procedures
- Undertaking effective sustainability evaluation and applying corrective actions
- Ensuring that their people are aware of their responsibilities and receive appropriate training
- Addressing any inappropriate behaviour.

Employees are responsible for:

- Carrying out their work in line with this policy and associated procedures
- Challenging any behaviour that falls short of the expectations of this policy
- Identifying any breaches of this policy and reporting them to their line manager

Suppliers are responsible for:

- Acting in accordance with this policy and associated procedures and guidance

## 5 What will successful implementation of this policy achieve?

- Governance and adherence to our policy, procedures and controls
- Commercial and contract audits confirm compliance with the policy

S. Sethi.  
Director

September 2024