One Facility Ltd

Policies and Procedures

Supplier Management and Ethical Procurement Policy

Policy Statement

The One Facility supply chain strategy is based on developing a diverse supply base of providers that are capable, compliant, ethical, environmentally responsible and delivering good-quality, competitive, cost-effective, sustainable and innovative solutions.

As a responsible and ethical company, with customers who operate in highly-regulated and sensitive confidential environments such as central and local government, defence, aerospace, finance, insurance and sectors such as retail which has a strong focus on labour standards, we fully recognise the importance of high ethical and labour standards across our operations, procurement and supply chain.

Moreover, as we increasingly take responsibility for managing customers' own sub-contractors and suppliers in a Total Facilities Management approach, we need to ensure appropriate due diligence in supplier selection and management and provide policies and ethics guidelines for our supply partners.

Our strategy emphasises working with suppliers whose values and processes mirror our own and who meet our stringent standards for project and service governance, business ethics, diversity and sustainability.

We carry out performance measurement, supplier assessment and development policies through positive supplier relationship management, built on the principles of mutual benefit, shared objectives and incentivisation.

We also prioritise the effective management of information from our supply chain to support informed decision-making, efficient business processes and effective performance metrics in support of our client projects.

Scope of our Supplier Management Policy

This Policy, and the supplier management provisions which apply to all purchases of goods and services, sets out how we will conduct business with our suppliers and describes the expectations we have of our suppliers regarding the way they conduct their business.

This Policy also sets out the framework for how we provide a structured end-to-end approach for the continuing management of the supply chain. This includes building key relationships, promoting knowledge-sharing and a partnership ethos with key suppliers and promoting our cultural values of quality and continuous improvement to the benefit of both parties throughout the business relationship.

Our policy is prepared, reviewed and updated in line with best practice requirements from the Chartered Institute of Purchasing & Supply (CIPS) and our trade body the Institute of Workplace & Facilities Management (IWFM). With many retail customers we also recognise the core standards retailers work to in establishing and promoting high ethical standards for their staff and operations. With many customers signed up to the principles and codes of Sedex, we also now align our policies with Sedex principles.

Statement on ethical procurement

Conducting our business in an ethical and sustainable way is of primary importance to One Facility.

We strive to maintain the highest standards of ethical conduct and corporate responsibility worldwide and seek to influence our suppliers to operate to similar high standards as ourselves.

Our aim is to ensure that the way business is conducted throughout the whole of our supply chain conforms to our own standards.

We require our employees engaged in purchasing activity to act in accordance with the following code.

We will

- Treat our suppliers fairly and objectively at all times.
- Ensure that appropriate suppliers have an equal opportunity to win our business.
- Pay suppliers in accordance with agreed terms and deal with any exceptions in a timely manner.
- Encourage responsible business practice.
- Select suppliers without consideration of the gender of their employees or their ethnic or religious origin in accordance with our Equal Opportunities policy.
- Continuously improve our knowledge of socially and environmentally responsible supply chain management practices.

We expect our suppliers to

- Maintain effective policies and procedures to manage their environmental impact.
- Respect fundamental human rights including worker representation.
- Have a positive impact on the communities in which they operate.
- Maintain a safe working environment and responsible Health & Safety practices.
- Be committed to a comprehensive policy of equal opportunities in employment.
- Adopt ethical business practices with respect to the business behaviour of individuals and the organisation as a whole.
- Comply with all applicable local, national, regional and international laws,
- Respect the intellectual property rights of others.

We will

- Regularly review our ethical purchasing practice to determine areas for improvement.
- Identify suppliers who can comply with our ethical purchasing policy and use them wherever possible.
- Train our staff in our policy to make sure they have a full understanding of our corporate requirements with regards to supplier dealings and the principles and operation of the policy.

Principles underlying this policy

Competition

We are committed to free and fair competition and we will compete robustly but honestly, complying with all relevant competition laws.

Bribery

Offering, paying, soliciting or accepting bribes or any form of inappropriate payment including “kick-backs” or “facilitation payments” is strictly prohibited

Gifts and hospitality

Giving and receiving modest gifts and hospitality may foster goodwill in a range of business relationships without any intention to prejudice or influence current or future business dealings.

Any such gifts or hospitality must, however, be reasonable, appropriate, limited in value and frequency and in keeping with appropriate business “custom and practice” and in accordance with all applicable laws.

Gifts and hospitality designed to induce or reward improper conduct or where they might compromise – or be perceived to compromise – the recipient’s judgment or integrity are not permitted.

Charitable donations

As part of our Corporate Social Responsibility and Community Involvement activities, One Facility may support local, national or international charities or provide sponsorship, for example to sporting or cultural events. Any such sponsorship must be transparent, and properly documented.

We will only provide donations to organisations that serve a legitimate public purpose, and are themselves subject to high standards of transparency and accountability.

Political donations

We do not make donations to political parties.

Confidentiality and accuracy of information

The confidentiality of information received in the course of business will be respected and never used for personal gain.

False information will not be given in the course of commercial negotiations.

Protected disclosures (“whistleblowing”)

Our Staff Handbook provides a full procedure in respect of protected disclosure (“whistleblowing”) and any employee with ethical or professional concerns is encouraged to report these in full confidence under our procedure. The Public Interest Disclosure Act 1998 prevents employees from suffering a detriment or having their contract terminated for ‘whistle blowing’ and we take very seriously any concerns which an employee may raise under this legislation.

Conflict of interest

Any personal interest which may prejudice, or might reasonably be deemed by others to prejudice, the impartiality of employees, must be formally declared to a senior manager for formal review by the company. Examples of this include owning shares in business partners and personal or family involvement in trading contracts.

Supply chain process

Our process is based on underlying principles of industry best practice, quality and compliance and is divided into the following key elements:

- Sourcing strategy
- Sourcing specification and supplier/sub-contractor selection
- Supplier relationship management
- Performance assessment.

The sourcing process commences with a requirement to buy or compete a product or service which requires a third party supplier arrangement.

Suppliers are identified through many sources including industry referral and recommendation, supplier expressions of interest, local chambers of commerce, customer preference or recommendation and specialist advisors.

The following characteristics are sought in a preferred supplier and assessed in our selection activities

- A market leader or recognised significant player within the sector
- A supplier with an established positive performance record
- Ability to demonstrate value for money, including through-life ownership assessment)
- A strong partnership ethos
- Ability to demonstrate delivery consistency and quality, meeting customer schedules
- Effective in the use of available and new technologies
- Financial stability and robustness
- Offering a credible, low risk technical response
- Meeting our requirements for ethical and sustainable supply chain processes.

Due diligence

Those suppliers that successfully pass this initial appraisal will move to the next stage of the supplier evaluation process. Our established corporate due diligence cycle includes:

Capability assessment including certification checking and client services assessment
Financial stability assessment, including credit checking
Security assessment and vetting where appropriate
Anti-bribery and corruption searches and reporting, also requiring suppliers to have appropriate policies and declarations in place
Compliance assessment, including policy and procedure review for standard arrangements such as Health & Safety, Environmental Management, Ethical Supplier Management and Labour Standards
Risk assessment including export risk assessment where appropriate
Quality assurance, including quality management systems and certification

Specific contract/service due diligence may also include:

- Specific service accreditations and licences
- Specific management and staff qualifications, accreditation and licensing required/relevant to the client project
- Compliance checks relevant to the client project
- Client reference checking
- Site visits if appropriate.

Supplier assessment for a mission-critical service will also incorporate an appraisal proportionate to the supply relationship to be adopted, considering factors such as complexity of the requirement, importance or criticality of the requirement, value of the sub-contract and the nature and extent of competition in the sector.

Appointment of suppliers and placement of sub-contracts

The contractual terms placed on all suppliers for our client projects will reflect requirements that are back-to-back with the requirements of the prime contract.

We categorise our supply chain based upon criticality of the products/service to the customer. In doing this, we define four key types of contractual relationship and this is reflected the negotiation and letting of contracts with relevant suppliers. Depending on the requirement, this can include:

1. Full flow-down of terms
2. Bespoke terms driven by significant percentage of terms flowed
3. Framework type agreement with specific reference to required terms
4. Purchase Order with specific reference to required terms.

All services are contracted in accordance with client required KPIs and will be defined in Service Level Agreements.

All sub-contracts are commonly subject to value-for-money benchmarking and break point terminations to enable termination the contracts if required. The sub-contracts will also cover the general partnering principles and where appropriate, incentive schemes and shared savings schemes with the objective of building strong strategic relationships between all parties.

Proposal evaluation

Where competitive proposals are received, evaluation criteria for the responses differ according to the product/service, supplier relationship to be adopted, timing (in relation to the bid process and phases of the contract) and specific service and contract requirements. Evaluation criteria commonly address service delivery, technical competence, commercial compliance, quality and value for money.

Supplier relationship management

Throughout our client service delivery, we deploy our robust commercial processes and procedures to manage and control the supply chain for all suppliers.

The foundations for our supplier relationship management strategy, promoting partnership working, are based on the following commitments:

- Working together in a spirit of cooperation to deliver our common goals for our customers
- Open, ethical and progressive relationship with shared objectives and mutual benefits
- Promoting and supporting collaborative ways of working and jointly solving problems
- Encouraging teamwork between contract personnel.

Performance assessment

Our supplier management programme includes monitoring the following activities:

- Order fulfilment and service delivery performance
- Inventory management
- Service Level Agreement (SLA) and Key Performance Indicator (KPI) measurement
- Quality and compliance monitoring
- Customer satisfaction monitoring, including feedback and analysis from the project governance and review meetings

Our supplier review and assessment process defines a formal review to be held with each supplier, annually or quarterly depending on the volume and criticality of services and products supplied. The review will assess activities and verify mutual understanding of project and service requirements.

Obviously any issues with supplier performance and delivery will not be left until these meetings and will be dealt with immediately if they should arise, but these review meetings enable both sides to discuss the relationship and the projects and services underway.

For all client projects, the meeting will include an assessment of the supplier performance against the agreed scope of work – for the current period and since the start of the year or the contract term, whichever is most appropriate. We will also review project control milestones and project schedules in accordance with the supplier management procedures.

Responsibility and Implementation

This policy, and any attachments, appendices or associated procedures, provides a clear statement of our commitment to ethical, compliant and responsible supplier management.

This policy should be read in conjunction with our Integrated Management System (IMS). Our IMS is accredited to ISO 9001, ISO 14001 and ISO 45001 standards.

Our Board and managers will make sure that this Policy is communicated to all employees and as part of our Induction programmes for new employees.

All One Facility employees shall comply with this policy.

Review and update

This policy is reviewed at least annually and is maintained by the Management Review Group which also ensures compliance and will provide advice and guidance to all management and employees on the policy implementation.

We will also regularly review supplier management strategy, activities, procedures, training and awareness programmes to ensure that they remain current and appropriate to our needs.

Director