

## LOADHOG SYSTEM PROCEDURE

### LHP11.5 Responsible Purchasing policy

(Rev A) 08/2019 - MP



RETURNABLE PACKAGING

The Loadhog Group of companies prides itself in conducting its business in a transparent and ethical manner. When making business decisions we give full consideration to minimising any possible negative impacts, whilst enhancing the positive impacts to the environment and society arising from our operations. Loadhog believe that this is best achieved by working with suppliers, contractors and business partners who hold the same attitude to business as ourselves.

This policy details the principles that Loadhog will look to apply when appointing contractors and business partners to work with and in selecting suppliers of goods and services.

For the purpose of this policy the following definitions are used:

- ☒ **Business partner** - a legal entity, organisation or person that represents or is appointed as a sub-contractor to a contract and act in any capacity under that contract on behalf of Loadhog.
- ☒ **Contractor** - a legal entity, organisation or person who supplies goods or services that requires the contractor to carry out construction, installation or other works on our sites; or undertakes repair or maintenance to machinery, plant or buildings on our sites.
- ☒ **Supplier** - a legal entity, organisation or person that supplies goods or services to Loadhog. For the avoidance of doubt this includes temporary employees or agency workers.

Loadhog will only look to trade with suppliers and work with contractors and business partners who agree to work within our Code of Conduct and related policies or who give undertakings that they operate within a policy framework that upholds comparable standards to our own. Loadhogs' Code of Conduct provides a framework covering workplace behaviour and business ethics.

#### Approval of contractors and business partners

Loadhog operates a contractor and business partner approval process which requires a company or trader wishing to work with us in either capacity to provide information and give undertakings to support their compliance with our contractor, business partner and supplier principles, in addition to any other specific operational requirements. Each trading company of Loadhog is to:

- ☒ Nominate a competent person or persons to review the documents submitted by a contractor or business partner and such person will be responsible for accepting or declining their approval
- ☒ Maintain a register of approved contractors and business partners with supporting information
- ☒ Undertake a regular review of the information held to support approved contractors and business partners on the register.

In certain circumstances, Loadhog will undertake audits of approved contractors and business partner operations and management systems to verify documentation submitted as part of the approval process.

#### Suppliers

Each trading company of Loadhog is to:

- ☒ Identify its current suppliers.
- ☒ Write on an annual basis to all its current suppliers and request that they give an undertaking in writing confirming their compliance with the Modern Slavery Act 2015, and if they have a turnover of £36m or over per annum to provide a copy of their published statement of compliance with the Modern Slavery Act 2015
- ☒ Deactivate all suppliers who refuse or are unable to give an undertaking confirming compliance with the Modern Slavery Act 2015 within a reasonable time from the Company's purchase order system.

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When looking to procure goods, services and asset purchases employees should obtain competitive quotes and look to obtaining best value for Loadhog. When evaluating best value of each quote employees should consider and weigh up the benefit of each quote against a number of factors (as applicable) over time:

- The price paid
- Reduced costs of operation eg lower fuel consumption
- Avoided costs eg reduction in maintenance cost
- Enhanced health and safety
- Reduced environmental impact
- Improved productivity
- Improved operation
- Cost of finance
- Investment return
- Enhanced reputation, and
- Legal compliance.

Where expenditure or purchase of assets is unbudgeted, equal to or above £10,000 in value then employees must follow the Loadhog Special expenditure and Capital expenditure approval procedure and orders may not be placed until confirmation has been received from the Finance Director that the expenditure has been approved.

#### Appointment of a contractor or business partner

A contractor or business partner can only be issued with a purchase order, or separate contract entered into if they are either:

- Approved contractors or business partners and have up to date records on the approved contractors' or business partners' register; or
- Give an undertaking to comply with the Loadhog contractor and business partner approval process and it is conditional upon them being entered by Loadhog on the approved contractors' or business partners' register.

#### Selection of a supplier

If a supplier is not already on the company's purchase order system or deactivated then the supplier should only be issued with a purchase order if the authorising employee has either:

- An undertaking in writing confirming the supplier's compliance to Loadhog policies and procedures.
- They are able to demonstrate compliance with ethical policies and procedures through their own enquiries – i.e. included within the suppliers quote or published on their website,

#### Non-conformity or breaches of this policy

If a contractor, business partner or supplier is not able to comply or maintain compliance with the terms of this policy (as applicable), in so far that they are not continuing business or an operation in a unlawful manner, then Loadhog will allow reasonable time to allow non-compliances to be rectified.

If a contractor, business partner or supplier is unable to rectify the problem in a reasonable time period or acts in an unlawful manner, then the appropriate contract will be terminated immediately in accordance with its terms and conditions; and (if applicable) they will be removed from Loadhogs' approved contractor and business partner register and deactivated from the Company's purchase order system.

#### Failure by an employee to follow the Responsible Purchasing Policy

If an employee fails to follow this policy and knowingly appoints or enters into a legally binding contract with a contractor, business partner or supplier who is shown to be in breach of the Responsible Purchasing Policy then this will be considered a disciplinary matter and may result in dismissal.

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#### 7.2 Reporting breaches of this policy and whistleblowing

If you are concerned that an employee has failed to follow this policy in the appointment of a contractor, business partner or in the selection of a supplier; or about any practice or activity of a contractor, business partner or supplier that is in conflict with any aspect of this policy then you should notify your line manager. However, where an employee feels unable to approach their line manager they should raise their concern with their Managing director.

Shaun Khan

*Shaun Khan*

Managing Director