

SIRO POLICY STANDARD

PURCHASING AND SOURCING POLICY

WORKING IN THE SIRO WAY

PURPOSE

This policy addresses SIRO general procurement principles (in accordance with the SIRO Joint Venture Agreement) in Part I and SIRO social, environmental and ethical compliance in Part II.

SIRO is committed to conducting its business in a lawful and ethical manner, including engaging with suppliers who promote safe and fair working conditions.

SCOPE

This purchasing and sourcing policy (the “Policy”) applies to all SIRO staff, suppliers and contractors. The phrase “supplier” in this Policy shall, where relevant, also include all officers, employees, contractors, subcontractors and agents.

SIRO will work collaboratively with its suppliers on the implementation of this Policy, which may include joint audits and site visits to assess performance against the Policy. Suppliers will be asked to provide SIRO with reasonable access to all relevant information and premises for the purposes of assessing performance against the Policy, and use reasonable endeavours to ensure that sub-contractors do the same.

PART I: GENERAL PURCHASING PRINCIPLES

Procurement must be conducted in a non-discriminatory, transparent, proportionate manner and tenderers must be provided with equal treatment, mutual recognition, freedom to provide services and freedom of establishment.

Prior Approval

Expenditure approval must be secured in advance of commencing procurement activity. Approval must be sought at the appropriate level of authority and the final decision to enter into a contract will be with SIRO.

Competitive Tendering

Competitive tendering involving three respondents should be used where possible. If for some compelling reason, competitive tendering is not used, prior approval at one higher level than normal is required. SIRO is not required to use competitive tendering in the following circumstances:

- Low value purchases and payments;
- Statutory type purchases or payments (e.g. water charges);
- Sole provider exemption (where there is only one provider in the market);
- Additional supplies exemption (where a change in the supplier would cause SIRO to acquire materials with different characteristics;
- Additional works exemption (where SIRO requires a contractor to carry out unforeseen additional works (where a contract has already been tendered for and additional works are required).
- Emergency purchases due to unforeseen events; and
- Supplies quoted and purchased on a commodity market.

Tendering Requirements

When managing the tender process, the following principles should be used:

- Tendering opportunities should be advertised.
- Tender documents should disclose broad based technical specifications;
- Tender documents should include RFP selection and award criteria.
- The requirements should be proportionate to the value of the contract.

Supplier Principles

When dealing with suppliers, SIRO will always attempt to:

- Treat suppliers in an open, fair, transparent and objective manner.
- Use functional and performance based specifications where applicable supported by the relevant international standards
- De-brief unsuccessful suppliers (on request).
- Keep all commercially sensitive information confidential.
- Pay undisputed supplier invoices, where a valid purchase order number is quoted, within the agreed terms of payment.
- Contractors and suppliers must abide by the appropriate conditions of contract and in particular must have public and employers liability and professional indemnity insurance policies for the requisite period where they are responsible.

Staff Training and Development

All SIRO and supply chain management staff with an involvement in the procurement process including, preparation of specifications bid list selection, tender evaluation, contract approval must sign an undertaking annually which requires such staff to:

- Declare any possible conflict of interest and confirm that conflicts which arose in the previous period were formally notified.
- Maintain confidentiality of information.
- Read and understand the SIRO Policy of Conduct (incorporating the Ethics Policy).

All SIRO staff (including secondees and Vodafone procurement company staff) who are involved in the procurement process must:

- Declare any possible conflict of interest.
- Maintain confidentiality of information.
- Complete ethical purchasing training on an annual basis.

PART II: SOCIAL, ETHICAL AND ENVIRONMENTAL RESPONSIBILITY

SIRO is committed to the highest standards of social responsibility. Our suppliers' business and labour practices must comply with all applicable laws, as set out below:

- **Child Labour:** SIRO will not tolerate the use of child labour. Our suppliers must ensure that no underage workers are employed, either directly or indirectly. The minimum age for employment shall be 16 (or 15 in circumstances where light work is carried out during the holiday period in accordance with legislative requirements).
- Children (persons under the age of 18) shall not be employed for any hazardous or night work, or work that is inconsistent with the child's personal development.
- In the event, a supplier discovers a child is employed, the best interests of the child shall be the primary consideration. The supplier shall contribute, support and/or develop policies and programs that assist any child found to be performing child labour.
- **Involuntary Labour, Human Trafficking, and Slavery:** Our suppliers must not use forced labour - slave, prison, indentured, bonded, or otherwise. Working must be voluntary, and workers must be free to leave work and terminate their employment or other work status with reasonable notice. SIRO also expects our suppliers to hold their third-party labour suppliers to the standards and practices covered by this policy.
- Suppliers shall not require employees to lodge deposits of money or withhold payment or place debt upon employees or require employees to surrender any government-issued identification, passports, or work permits as a condition of employment.

- **Health and Safety:** Our suppliers must provide workers with a safe and healthy work environment, and comply with international standards and applicable laws.
- **Occupational Safety:** Suppliers must educate workers on safety procedures and also control worker exposure to potential physical safety hazards by implementing physical guards, barriers, and/or engineering and administrative controls. As per communicated SIRO standards, workers must be informed and receive appropriate education in advance if they will be working with (or otherwise exposed to) hazardous or dangerous conditions or materials. In addition, workers must be given appropriate personal protective equipment and educated and trained on the proper use of such equipment. Suppliers must manage, track, and report occupational injuries and illnesses.
- **Wages and Benefits:** Our suppliers must pay their workers in a timely manner and provide compensation (including overtime pay and benefits) that, at a minimum, satisfy minimum national legal standards. Our supplier shall not use deductions from wages as a disciplinary measure.
- **Working Hours:** Our suppliers must ensure that workers do not work in excess of the limitations set down in the Organisation of Working Time Act 1997 (as amended).
- In exceptional circumstances and emergency situations, employees may be required to work longer hours than usual but in any event these hours shall not be excessive. Suppliers shall compensate overtime at a premium to the relevant employee's standard hourly rate.
- Supplier shall be considerate to the type of work performed and the acceptable working hours for the role concerned.
- Employees should have at least one day off following every six consecutive working days. Employees shall be granted the right to paid vacation.
- **Anti-discrimination:** Our suppliers must not discriminate on the basis of race, colour, national origin, gender, sexual orientation, religion, disability, age, political opinion, pregnancy, marital or family status, or similar factors in hiring and working practices such as job applications, promotions, job assignments, training, wages, benefits, and termination.
- **Fair Treatment:** All workers must be treated with respect and dignity. Our suppliers must not engage in or permit physical, verbal, or psychological abuse or coercion, including threats of violence, sexual harassment, or unreasonable restrictions on entering or exiting work facilities.

- **Immigration Compliance:** Our suppliers may only engage workers who have a legal right to work. If suppliers engage foreign or migrant workers, such workers must be engaged in full compliance with the immigration and labour laws of the host country.
- **Union membership:** Our suppliers shall respect employees' rights to join trade unions, if desired.
- **Ethical Behaviour:** Suppliers may not engage in bribery with anyone for any reason, whether dealings with government officials or the private sector. This includes offering, promising, giving, or accepting anything of value to obtain or provide undue or improper advantages to anyone for any reason.
- **Whistleblower Protections:** Suppliers must protect worker whistle-blower confidentiality and prohibit retaliation against workers who report workplace grievances.
- **Anti-bribery, Corruption and Individual Conduct**
Our suppliers shall not tolerate or enter into any bribery, including improper offers or payments to or from employees, customers, suppliers, organisations or individuals. Our suppliers (i) shall have a robust anti-bribery policy (ii) shall not give, promise, receive or request any bribes (financial or other advantage), including but not limited to in relation to any public official (iii) shall ensure its employees, contractors and sub-contractors are aware of its anti-bribery policy and how to comply with its requirements.
- **Fraud and anti-money laundering**
Supplier shall act in accordance with all applicable international standards and laws on fraud and money laundering. SIRO suppliers shall not do or omit to do anything likely to cause any party to be in breach of any of such international standards and laws. Our suppliers shall maintain an effective anti-fraud and (where appropriate) an anti-money laundering compliance programme, designed to ensure compliance with the law including the monitoring of compliance and detection of violations.
- **Responsible Sourcing of Minerals**
SIRO suppliers shall have a clear policy or procedure in place to avoid knowingly purchasing conflict minerals. In particular our suppliers shall have a policy or procedure to reasonably assure that the tin, tantalum, tungsten and gold in the products it manufactures does not directly or indirectly finance or benefit armed groups that are perpetrators of serious human rights abuses. Supplier should exercise due diligence on the source and chain of custody of these minerals and make their due diligence measure available upon SIRO's request.

- **Environment:** SIRO has established principles with regards to managing and reducing its carbon footprint. We are focusing our efforts on energy efficiency, renewables and waste reduction across our business.
- To support these efforts on environmental stewardship, accredited environmental management systems are in place. We have achieved ISO 14001 and continue to advance improvement initiatives in this area.
- We require that our suppliers comply with applicable environmental laws and demonstrate a commitment to responsible environmental management. Our supplier shall where requested by SIRO identify, monitor and minimize Greenhouse Gas emissions (GHG) and energy consumption from its own operations including CO2 emissions from transportation and travel and support providing relevant data to SIRO or recognised third parties appointed by SIRO to measure improvements.

MONITORING, CORRECTIVE ACTION AND REPORTING

All SIRO suppliers are expected to identify, correct and monitor continued compliance with Part II of this Policy.

Material breaches of Part II of this Policy should be reported to SIRO, together with a schedule for corrective action. In certain circumstances, a breach of Part II of this Policy may be considered “a material breach” and SIRO accordingly reserves all its legal rights and remedies in respect of any such breach.

SIRO (and other SIRO group companies) may report progress on SIRO’s suppliers’ compliance with this Policy (and SIRO suppliers are deemed to agree to such disclosures).

SIRO suppliers shall provide SIRO with reasonable access to all relevant information and premises for the purposes of assessing performance against this Policy (and shall use reasonable endeavours to ensure that sub-contractors do the same). Audits may be conducted by an independent third party on behalf of SIRO or jointly between SIRO and the supplier.

Any material breaches of this policy standard should be reported immediately. SIRO will work collaboratively with suppliers to implement remedial actions (where necessary). However, we will also take action (which may include terminating a contract), if the supplier is not willing to make appropriate changes.

POLICY REVIEW

This purchasing and sourcing policy should be reviewed in July 2020.

POLICY AMENDMENTS

<u>Date</u>	<u>Version</u>	<u>Edits</u>	<u>Approved</u>
20 August 2019	1.0	Incorporation of policy	Rachel Lalor
19 February 2020	1.1	References to 2020 have been updated.	Rachel Lalor
Next Review: January 2021			