

Supply Chain Management Policy

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Applicability | Covering all business divisions operating throughout the UK.



Our Supply Chain Goals

Our overall objective is to obtain the very best value from the multitude of goods and services we source in order to maintain and develop our businesses. 'Value' means far more than just initial purchased price and includes such considerations as quality, reliability, logistics, operating costs, maintenance requirements and supply security.

To achieve this overall 'value objective' we need to

- Ensure the goods and services we purchase are of appropriate quality and suitable for our purposes.
- Focus on minimising the total cost of acquisition (not simply purchased price), taking into full account factors which contribute to the 'whole life cost' of the purchase.
- Put into place and maintain commercial arrangements which ensure security of supply and guarantee delivery of necessary goods and services when and where they are required by our businesses.
- Effectively and efficiently manage the end-to-end supply chain.
- Develop closer working relationships with our suppliers in order to
 - o Upgrade quality
 - o Improve service levels
 - o Continually reduce our cost of doing business
 - o Minimize our impact on the Environment
 - o Encourage innovative product development
 - o Ensure we are trading to ethical standards.



Teamwork

Effective Supply Chain is a result of a close team effort between our Supply Chain professionals, the SNA businesses and our suppliers at every stage of the process.

Supply Chain consists of integrated functional departments charged with the responsibility of coordinating and managing SNA's Supply Chain on behalf of the businesses.

- The SNA procurement team, which handles the purchasing and inventory management of all of the company's products.
- Supplies & Services procurement managing goods not for resale for supplies, services, utilities, F & F (fixtures and fittings), F&E (furniture and equipment), Property, Marketing Services and IT.

The aim of Supply Chain is to provide a best in class total Supply Chain service to all of SNA's constituent businesses, which means

- The use of high quality, trained professionals employing leading edge tools, techniques and systems.
- Exploiting our integrated systems to identify non-value activities in the extended supply chain.
- Being able to take a cross business perspective in order to highlight opportunities, identify synergies and make best use of SNA's purchasing power.



Responsibilities

While Supply Chain within SNA is very much regarded as a team effort, the primary roles and responsibilities of the business and SNA Supply Chain process are well defined.

In general

The business has primary responsibility in the following areas

- Identification of need
- Development of a functional specification or product brief
- Identifying the funding of and authorising of expenditure for the procurement commitment
- Day to day operational management of the supplier or contractor.

Supply Chain's primary responsibilities cover

- Working with the business to help develop a definitive specification
- Developing and maintaining knowledge of relevant supply markets
- Developing appropriate supply or contracting strategies for agreement with the business
- Managing the tendering process
- Conducting commercial negotiations
- Making contractual commitments with suppliers on behalf of the businesses supported by appropriate formal documentation
- Managing supplier performance including for example, claims, contract and commercial variations etc.



Our suppliers

SNA is seeking suppliers who are

- Able to respond to changing needs and priorities
- Able to take the lead in developing innovative products and new ideas
- Able to identify, communicate and effectively manage problems in a proactive fashion
- Proactive in the use of modern technology in improving efficiency and 'driving down the cost of administration'
- Financially stable.

SNA has in place a structured supplier assessment process designed to evaluate the capabilities of potential suppliers reflecting both the nature of the proposed purchase(s) and the associated business risk.

How we purchase

The range of goods and services we purchase each and every year is extensive. Not surprisingly, therefore, we adopt varying procurement approaches dependent on the nature of both the particular requirements and supply marketplace in which we are operating and which can include

- Competitive tendering against a detailed specification
- Electronic auctions for a specified commodity
- Seeking targeted proposals from selected suppliers
- Strategic (or partnership) alliances with key suppliers.

Our buyers are trained in the use of techniques to help select the optimum procurement strategy every time.

The duration of contracts or supply arrangements will vary, again dependent upon what we are buying and the nature of the relevant supply market. In any event, every 'deal' will be supported by a formal contract or agreement clearly documenting the mutually agreed specifications, terms, and conditions.



Our Code of Business Ethics

SNA's reputation for honesty, integrity and fair trading is a major factor in our continuing success.

Every one of our employees – and particularly those involved in the procurement process – has a part to play in maintaining this excellent reputation.

Guidelines from the Chairman for all our employees are provided in the SNA Code of Business Ethics.

The following highlights are of particular note.

- The receipt of gifts (other than those of purely token value e.g. calendars, diaries, advertising material etc) is not permitted
- Appropriate or modest hospitality is an accepted courtesy of business relationships between SNA and our suppliers. However, the recipient must never reach a position where he or she might be, or deemed by others to be, influenced in making a business decision as a consequence of accepting such hospitality
- Information received in the course of business must not be used for personal gain. In addition, information provided in commercial confidence by any supplier must not be divulged to other suppliers or third parties.

We expect the behaviour of our suppliers to reflect these standards.

Payment

Our standard payment terms of net monthly (it is the Company's policy to settle invoices close to the end of the month following the month of invoicing) will be agreed with suppliers at the outset of a deal and incorporated into contracts and purchase orders.

Our ability to comply with this policy is dependent upon suppliers submitting adequately detailed and accurate invoices to the correct address in a timely fashion. Our policy is to ensure that suppliers are contacted without delay when invoices are contested and that any complaints from our suppliers regarding non-payment are dealt with efficiently and quickly.