

Purchasing & Sustainable Procurement Policy (UK)

1. Purpose

Riello UPS Limited (“the Company”) is committed to ensuring that all purchasing activities are conducted in a **controlled, ethical, sustainable, and cost-effective manner**.

This Policy defines the principles, responsibilities, and controls governing the procurement of goods and services, ensuring that purchasing decisions:

- Support **quality, continuity, and customer satisfaction**
- Minimise **environmental and social impact**
- Uphold **ethical and legal standards**
- Align with the Company’s **ESG commitments and ISO-certified management systems**

2. Scope

This Policy applies to all purchasing and procurement activities undertaken by or on behalf of Riello UPS Limited in the UK, including:

- Goods, materials, components, and spare parts
- Services, subcontracted activities, and consultancy
- Capital equipment and operational expenditure

It applies to all employees, contractors, and agents involved in procurement decisions.

3. Standards and Framework Alignment

This Policy supports compliance with:

- **ISO 9001** – Quality Management (Clause 8.4)
- **ISO 14001** – Environmental Management
- **ISO 50001** – Energy Management
- **ISO 27001** – Information Security
- **ESG principles** (Environmental, Social, Governance)
- Applicable UK legal and regulatory requirements

4. Purchasing Principles

All purchasing decisions must be based on a balanced assessment of:

- **Quality and fitness for purpose**
- **Total cost of ownership**, not price alone
- **Supply chain risk and resilience**
- **Environmental impact and sustainability**
- **Ethical and social responsibility**
- **Information security and data protection**

No purchase should expose the Company to unacceptable quality, safety, legal, ethical, or reputational risk.

5. Governance and Responsibilities

5.1 Managing Director

- Overall accountability for procurement governance
- Approval of this Policy and any material exceptions

5.2 Purchasing / Procurement Function

- Supplier selection, approval, and performance monitoring
- Ensuring use of approved suppliers only
- Integrating sustainability and ESG criteria into procurement decisions
- Managing supply chain risk, including counterfeit risk

5.3 Line Managers and Budget Holders

- Ensure purchasing is justified, authorised, and within budget
- Comply with approval and delegation requirements
- Avoid committing the Company without authority

5.4 All Employees

- Follow this Policy and associated procedures
- Declare conflicts of interest
- Comply with ethical and anti-bribery requirements

6. Supplier Selection and Approval

(ISO 9001 – Clause 8.4)

The Company operates an **Approved Supplier** approach.

Supplier selection and evaluation may consider:

- Ability to meet quality and delivery requirements
- Financial stability and business continuity
- Environmental performance and sustainability practices
- Ethical standards and labour practices
- Information security and data protection controls

Suppliers must comply with the **Code of Integrity for Business Partners**.

7. Sustainable Procurement Commitments

Sustainability is embedded within all purchasing activities.

Where practicable, the Company will:

- Prefer **environmentally sustainable and energy-efficient** products and services
- Consider **carbon footprint, lifecycle impact, and waste reduction**
- Encourage suppliers to adopt sustainable and responsible practices
- Seek opportunities to reduce environmental and social impact across the supply chain

Sustainability considerations sit alongside quality, risk, and cost — not in isolation.

8. Ethical and Social Responsibility in the Supply Chain

The Company is committed to ethical sourcing and responsible supply chains. This includes:

- Preventing modern slavery and human trafficking
- Promoting fair labour practices
- Avoiding unethical or exploitative suppliers
- Acting transparently and with integrity

These expectations are reinforced through the:

- **Ethics Policy**
- **Code of Integrity for Business Partners**
- **Anti-Slavery and Human Trafficking Policy**

9. Counterfeit Products and Materials

Riello UPS Limited operates a **zero-tolerance approach** to counterfeit products and materials. All purchasing activities must comply with the **Counterfeit Products and Materials Policy**, including:

- Sourcing only from authorised and approved suppliers
- Verifying authenticity and traceability where required
- Immediate reporting and quarantine of suspected counterfeit items

10. Information Security and Data Protection

Suppliers that process or access Company or customer information must comply with:

- UK GDPR and data protection legislation
- Company information security requirements

Appropriate contractual and technical controls must be in place.

11. Monitoring, Performance and Continuous Improvement

The Company will:

- Monitor supplier performance proportionately
- Review procurement practices to identify improvement opportunities
- Engage suppliers on sustainability and risk reduction
- Use audits, reviews, and ESG reporting to drive improvement

12. Records and Documentation

The following records must be retained in line with Company requirements:

- Supplier approvals and evaluations
- Purchase orders and contracts
- Sustainability or ethical assessments where applicable
- Nonconformances and corrective actions

13. Non-Compliance

Failure to comply with this Policy may result in:

- Withdrawal of purchasing authority
- Disciplinary action (for employees), in line with the **Disciplinary Policy and Procedure**
- Contractual or other action (for suppliers or contractors)

14. Policy Review

This Policy is approved by the Managing Director and will be reviewed regularly to ensure continued alignment with:

- Business strategy
- ESG commitments
- ISO standards
- Legal and regulatory requirements