Extract from GP422 v10

Statement of HZI Purchasing Policy

Vision:
Supply Management aims to contribute to the success of HZI by increasing the competitiveness and profitability of it’s commercial offering from 3rd Party suppliers and Contractors. Ensuring good quality, sustainable processes and solutions in a time efficient manner.

Mission:
The principle responsibilities of Supply Management are to:
- Control Total Cost
- Mitigate Risk
- Add Value
- Ensure Code of Conduct
- Optimise Supply Efficiency

And in all cases ensure a fair and unbiased approach to Supply Markets and decisions pertaining to them. The HZI Purchasing Policy is based upon the CIPS Purchasing Policy.

HZI Purchasing Policy

This Purchasing Policy applies to and binds all directors, managers and employees of the organisation in any situation where they are involved in a purchasing process, whether as requisitioners or specifiers, purchasers or negotiators, or those who validate or authorise payment.

‘Purchasing’ includes all procurement activities including leasing and hiring, and may where appropriate include other activities accompanying the life cycle of goods (or service contracts) and the end-of-life disposal of goods which have been procured (whether or not they remain in our ownership). Adherence to the Purchasing Policy is both an individual and a corporate responsibility. Wilful breach of this policy, or unauthorised departure from the Procedures derived from this Policy, may constitute a disciplinary offence.

The Policy is not a ‘box-ticking’ exercise. For its effective implementation it requires from each person involved an active involvement, consideration and weighting of the factors.

This Purchasing Policy is a public document - it may be quoted in Annual Reports, Operating & Financial Reviews, shareholder/stakeholder information, and is freely available to potential suppliers. It binds all actors involved. It confirms to management and staff, to actual and potential suppliers and contractors, to customers, to governmental and other regulators and to stakeholders in the wider community, the principles on which this organisation procures and contracts.
Note that the detailed Procedures which follow are as a body to be considered Confidential, although there are many cases where suppliers and others will need to be given details of individual Procedures.

The Policy Statement can only be revised or altered with the authority of the full Board. It is permissible to modify or over-ride individual elements of Procedure, after appropriate authorisation, but only if such changes do not conflict with the aims and objectives of the Policy Statement.

**Policy objectives**

The organisation’s Purchasing Policy exists for a number of discrete but often interconnected purposes. These objectives are expanded below, and are reflected in the detailed Procedures that follow.

The Policy commits the organisation, and every individual involved in purchasing and supply management processes within the organisation, to use their best endeavours to ensure that our purchasing and contracting activities are:

- legal
- compliant with local, regional, national & international legislation, regulations or other requirements
- accountable and auditable
- ethically, environmentally and socially responsible
- economically effective and ensures fair supplier payment practices
- conducive to maintaining the organisation’s ability to exploit appropriate technological, commercial and organisational developments as they arise
- capable of identifying, minimising and managing risks that may threaten the supply chain or the wider organisation
- open to continuous improvement and development, in particular by the training, development and support of staff.

In addition Supply Management shall, as far as is within their power, only employ suppliers and contractors who subscribe to and operate on similar principles. Generally all such suppliers and contractors shall contractually agree to abide to the HZI Supplier Code of Conduct. Joint Venture partners, and the management of outsourced activities on an organisation’s behalf, are similarly expected to abide by and promote these principles.

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