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Supplier Management Process – Tier I (International) non-UK – non-IoM

Purpose

The function of the Supplier Management Process (International) is to provide a seamless quality service, alongside obtaining the best value for goods and services for Manx Telecom Trading Limited (“MT”) and our customers. Whilst performing a risk analysis for both financial and service ensuring transparency of supply in accordance with purchasing standards to maximise value add for MT and our International affiliate partners. Including Smart Roam, OV & Synapse 360.

It should also select and develop relationships with International Suppliers which deliver the highest standards of performance and long-term benefits. Alongside performing regular vendor management meetings to establish and drive forward value added service. Whilst delivering continuity of supply and value.

This process will also manage suppliers who operate and or provide dedicated support for our customers in a foreign territory and will detail the standards and controls required to support and maintain quality controls

All new vendor requests or vendor removal requests will follow the strict code of Procurement Governance in line with MT business processes and controls.

A detailed tiering system has been identified and a process flow has been highlighted in this document.

Scope

The supplier management process is designed to govern the business interactions between MT and its Suppliers. Suppliers are used throughout the business to various extents to support International services. So, it is important that the business recognises and manages the relationships necessary to provide its service functions.

All suppliers with inputs into service functions will be controlled by this process and will link into the following Four Key Sectors:

- Financial Terms
- Supplier Safety & Environment
- Corporate Responsibilities & Law
- Supplier Quality Management & ISO Alignment Where Applicable
- GDPR & PCI DSS

An International Supplier is determined as a supplier who operates in a foreign territory other than the United Kingdom.

Key Sectors Elements for Supplier Evaluation

- Transparency, Confidentiality and Fairness:
- Service Assurance:
- Service Continuity:
- Customer Engagement:
- Payment for being an Approved Supplier:
- Declaring Interest:
- Payment to Agreed Terms:
- Reciprocal Trading:
- Supplier Imposition:
- Size, Maturity and Location:
- Social Responsibility:
- Employment Relationships:
- Living Wages are Paid:
- Suppliers’ Employees’ Working Hours:
- Suppliers’ Treatment of Employees:



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- Service Levels Provided – SLA's and or OLA'S:
- Discrimination:
- Law, Compliance with legal and other obligations:
- Seeking advice, customer issues, escalation and resolution process:
- Ethical sourcing:
- Reputation assurance:
- High standard of documentation and best practice policies
- Health and Safety:
- Use of Power – Environmental Considerations:
- Integrity:
- Professionalism:
- High standards:
- Optimal use of resources and time management:

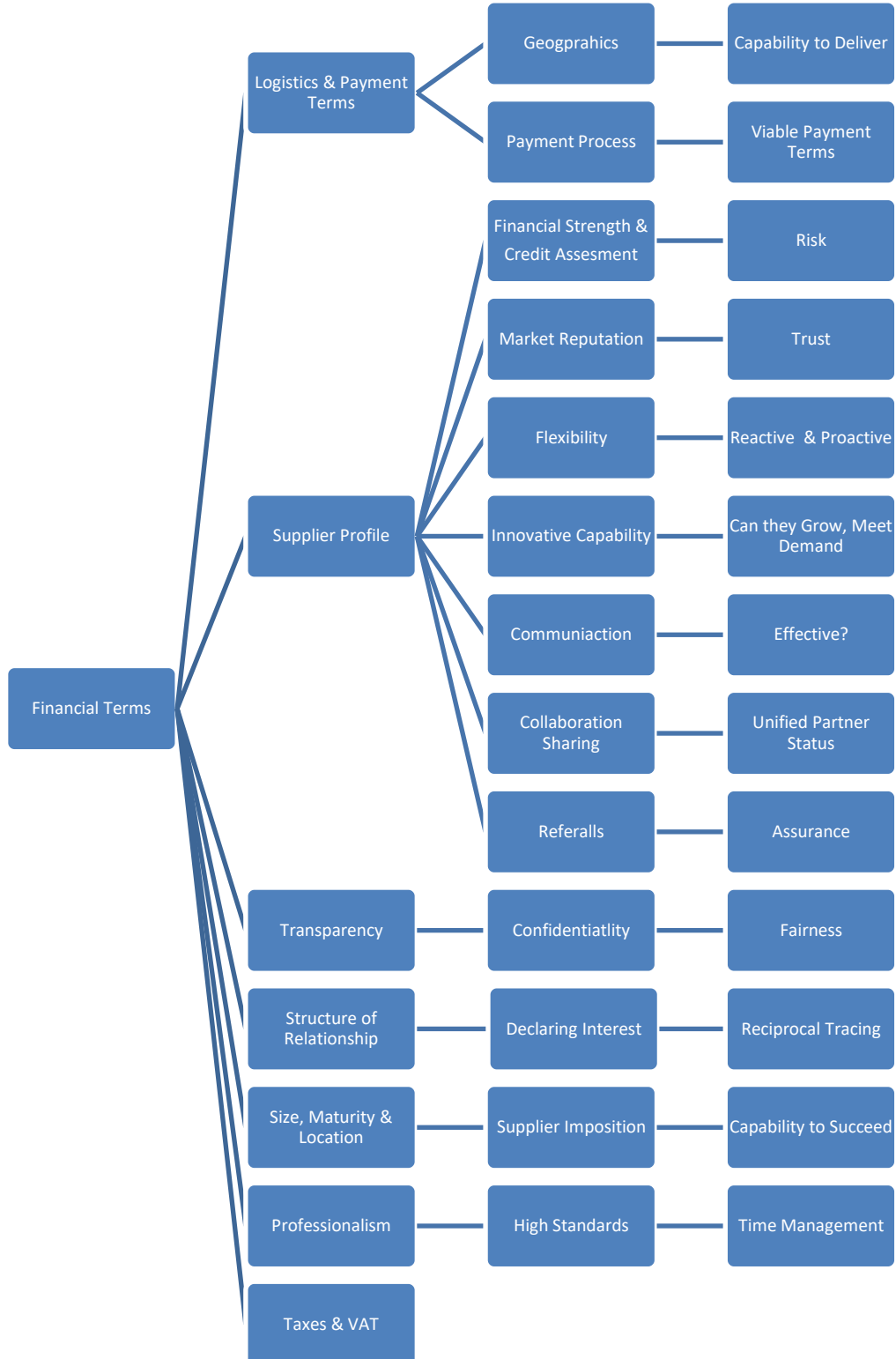
Four Key Sectors:





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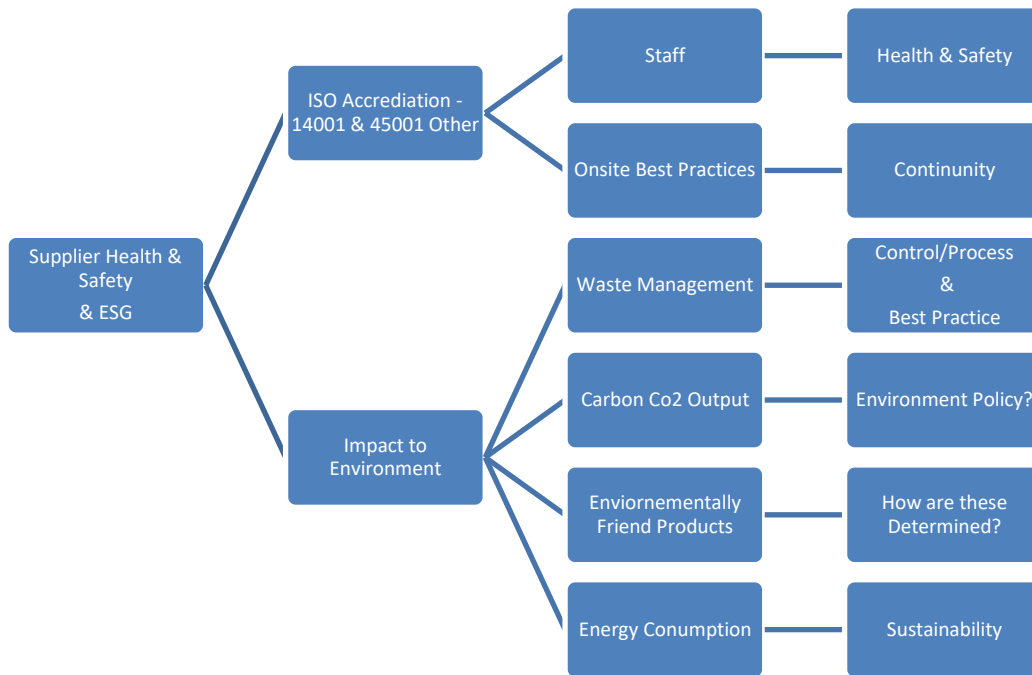
*How do we determine which International Supplier to Select: **Financial Terms***





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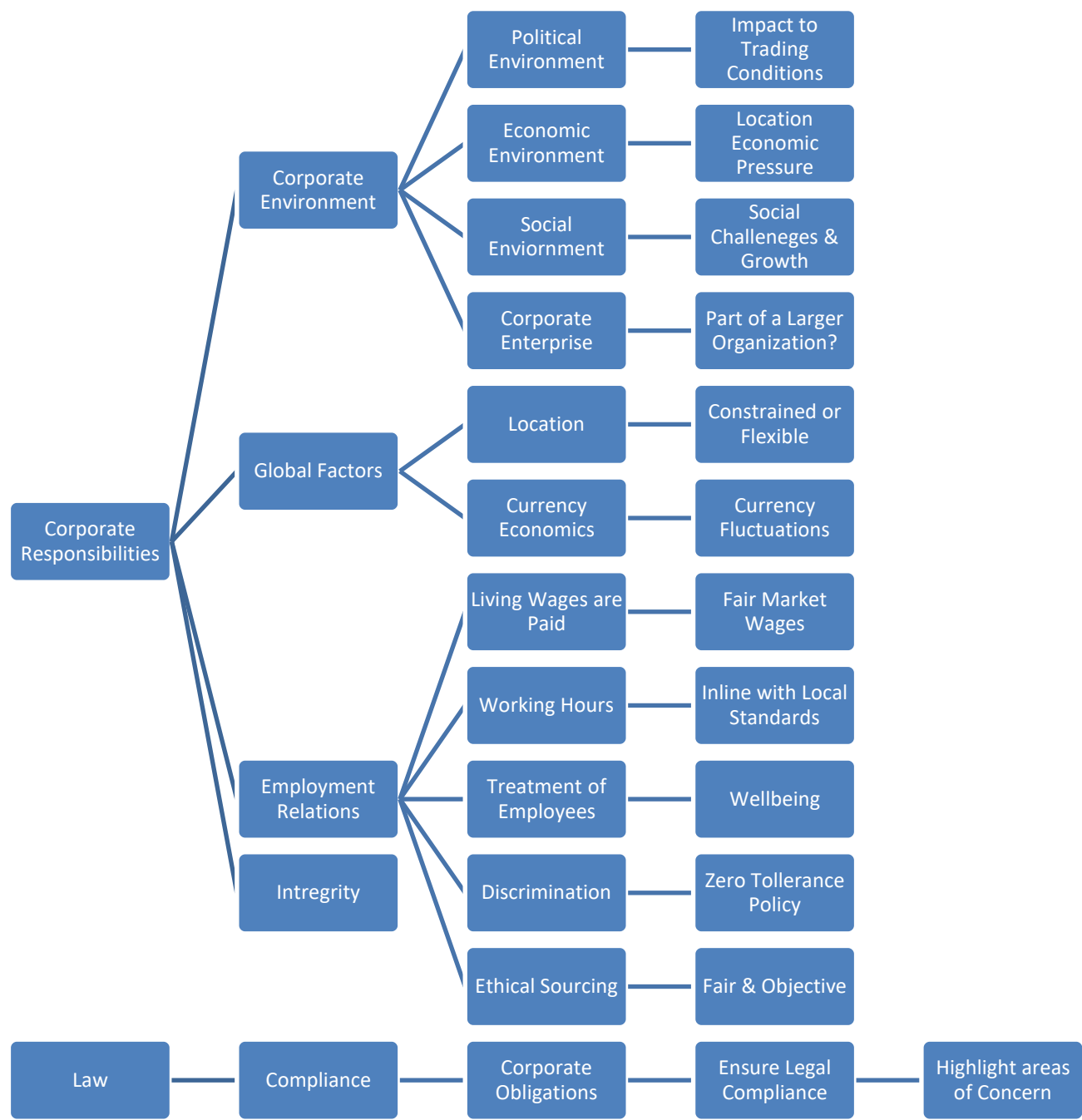
*How to we determine which International Supplier to Select: **Supplier Safety & Environment***





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How to we determine which International Supplier to Select: **Corporate Responsibilities**



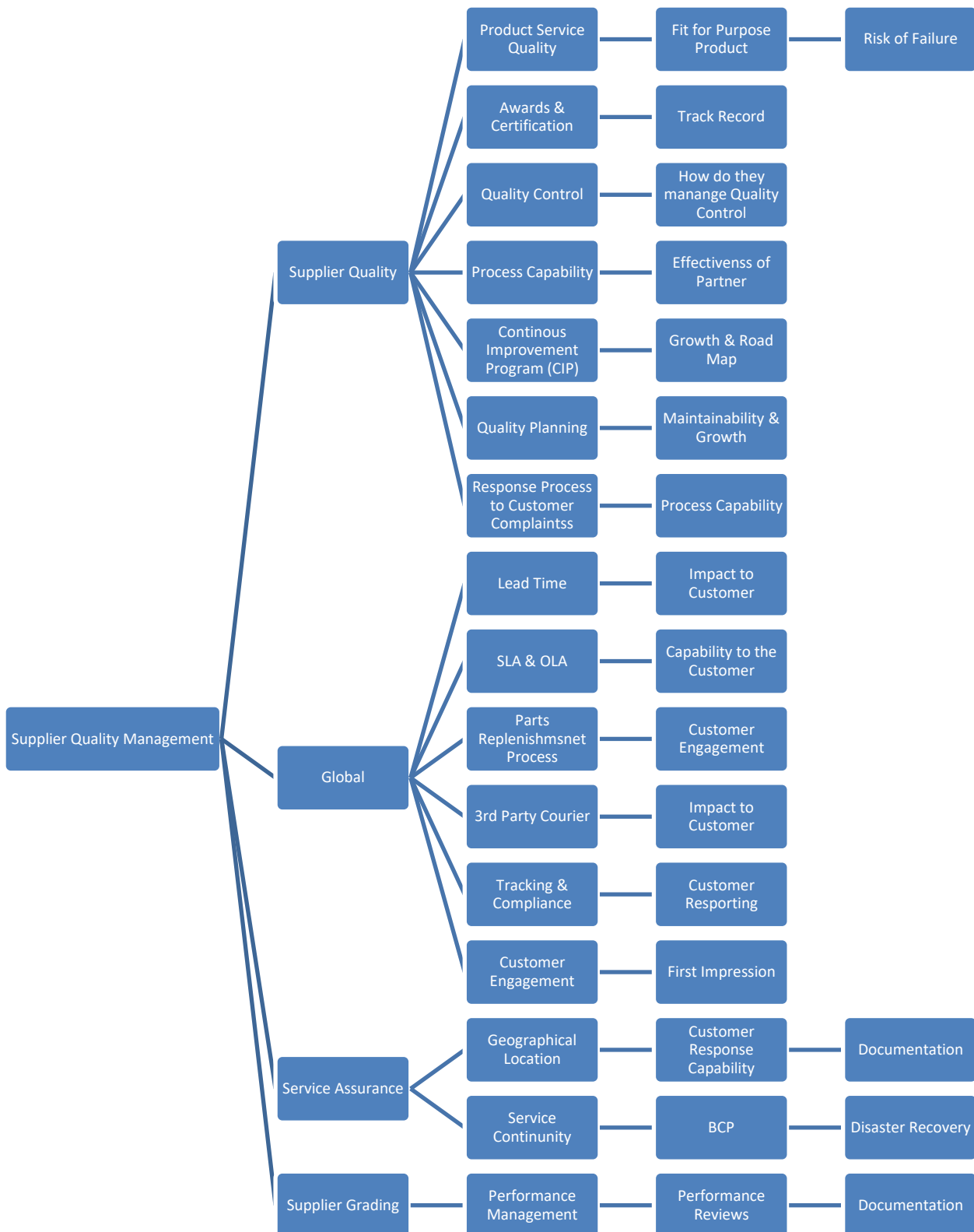


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*How to we determine which International Supplier to Select: **Supplier Quality Management***



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Context for Key Sectors for Supplier Evaluation

➤ Transparency, Confidentiality and Fairness:

The Supplier Management process should be as transparent as possible, within commercial and legal constraints. This means being open with all those involved so that everyone especially suppliers, understand the elements of the process, that is, the procedures, timescales, expectations, requirements, criteria for MT and so on. MT's and or customers confidential information



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must not be disclosed to any third party or used in any way without the consent of MT and or the customer. In particular it must not be shared with other suppliers. This is particularly important when an output-based specification is being developed. Although it is acceptable business practice to share ideas amongst suppliers in order to develop the most appropriate solution, suppliers' confidence should be respected. Everybody involved in purchasing and supply management should understand the implications of commercial confidentiality and it is the responsibility of the purchasing and supply management professional to reiterate this to colleagues at the start of each new project or relationship.

➤ Service Assurance:

Service Assurance is paramount. Can the supplier deliver, meet the customer expectation. Are their best practices in line with ours? Will they adopt our business processes to fill customer satisfaction or will we need to manage each supplier instance separately. Frequent supplier performance reviews are essential to ensure maintainability and growth of the relationship.

➤ Service Continuity:

Does the supplier have Service Continuity, if not what is our customer's risk? How big is our customer in comparison to their other customers? Where do they sit in the priority stack? What happens in the event of an issue? How is this managed? What business best practices do they adhere to?

➤ Customer Engagement:

How do they engage with our customer or customers? What does our customer see? How is customer feedback measured? What process is followed to deal with customer complaints?

➤ GDPR:

General Data Protection Regulation applies in line with key guidelines and our GDPR policy and process is prevailing. Please reference our "GDPR Data Protection Policy for further guidance"

➤ PCI DSS:

Where applicable any supplier provider payment service provider and card acquirer and or payment gateway services must adhere to PCI DSS standards and our Manx Telecom Supplier PCI 12.8 HLD – Protocol document

➤ Payment for being an Approved Supplier:

Define payment terms. 30 Days end of month from date of Invoice for our International Tier 1 vendors. Cross reference MT Service Terms and Conditions. Payment to agreed terms on successfully delivered services.

➤ Declaring Interest:

Purchasing and supply management professionals, Suppliers, involved parties should encourage colleagues to declare any material personal interest which may affect, or be seen to affect, their impartiality or judgement in respect of their duties. Examples include owning a significant shareholding in a supplier or close family members being employed by a key supplier. Organisations should have a clear policy on accepting business gifts. Purchasing and supply management professionals should encourage colleagues to comply with any such policy. MT believes that normally the only acceptable gifts are items of small intrinsic value, such as desk diaries. Purchasing and supply management professionals, and others involved in the supply chain should not accept hospitality which may be perceived as influencing their judgement or impartiality in any way. Hospitality accepted should never be excessive or frequent, should be managed openly and carefully and be capable of being reciprocated. The same rules apply in relation to gifts or hospitality offered to close family members. It is generally unethical to accept travel or subsistence payments from suppliers during product familiarisation visits. Suppliers where possible should have a clear and defined Anti Bribery policy.

➤ Reciprocal Trading:

Reciprocal trading (countertrade) which makes being a customer of an organisation a condition for being a supplier is generally unacceptable business practice. MT has a separate position on knowledge summary which details the MT view on this matter. In essence MT believes reciprocal trading to be only acceptable when:

- There is no coercion
- Both parties are in agreement and
- There is mutual benefit and transparency to both parties



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➤ Supplier Imposition:

Supplier imposition is the situation in which a customer or end user stipulates that a particular supplier should be used. In many cases there is a valid reason for this. However, purchasing and supply management professionals should always challenge such a situation since it can lead to established internal business controls being ignored and the quest for the best value for money solution being compromised. Purchasing and supply management professionals should, through act or influence, only use or permit supplier imposition where there are transparent and objective reasons for it. An example is when there is only one supplier with the capability to ensure the required level of quality required by the customer and where existing contractual relationships can be respected.

➤ Size, Maturity and Location:

It is good practice to balance the risk of awarding contracts to new or small suppliers with the opportunity of encouraging new business to flourish. It is not good practice to exclude suppliers simply because they are small or new to the market. Capability and experience are examples of relevant supplier MT criteria. Purchasing and supply management professionals should consider the magnitude of business they award to a supplier, the impact on that supplier and the level of dependence that may be created. Serious consequences for the supplier can result if business is removed at a later date. It may, in certain circumstances, be wise to agree exit strategies during contract finalisation so that social and other factors can be taken into consideration. Purchasing and supply management professionals should, wherever possible, be aware of opportunities to support the local community and SME's whilst maximising opportunities for global sourcing when this is appropriate.

➤ Social Responsibility:

The MT position on Ethical Business Practices in Purchasing and Supply Management distils aspects of current developments in the area, including:

- The Ethical Trading Initiative (ETI) Base Code
- The Core Conventions of the International Labour Organisation (ILO)
- The UN Declaration on Human Rights
- SA8000 (a standard relating to social accountability developed by the Council on Economic Priorities Accreditation Agency in New York - now known as Social Accountability International (SAI)).

Purchasing and supply management professionals should not assume, however, that compliance with the MT position necessarily implies compliance with any of the above codes or standards as there are some differences between them. Purchasing and supply management professionals should work with new and current suppliers to improve their status in respect of all aspects within this MT Key Sectors Summary Process Flow.

➤ Employment Relationships:

Suppliers should establish recognised employment relationships with their employees that are in accordance with their national law and good practice

- Suppliers' employees should be provided with an easy to read contract of employment with particular clarity in relation to wage levels.
 - In the event that employees are unable to read, the contract of employment should be read and explained to them by a union representative or another appropriate third party
 - Suppliers should not seek to avoid providing employees with their legal or contractual rights
- Suppliers' employees should not be expected to work more than 48 hours per week on a regular basis
- On average, suppliers' employees should be given one day off approximately every seven days
 - Suppliers should not pressurise employees into working overtime; overtime should be voluntary and not be demanded on a regular basis. Where overtime is requested by the employer it should be reimbursed at an appropriate rate and should not exceed 12 hours in any week

➤ Living Wages are Paid:

Wages and benefits should at least meet industry benchmarks or national legal standards. As a minimum, the wages paid to suppliers' employees should meet their basic needs

- Suppliers should not make deductions from wages unless permitted by national law or with the permission (without duress) of the employee
- Suppliers should always pay in cash, cheque, BACS and not in kind e.g. goods, vouchers

➤ Suppliers' Employees' Working Hours:



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Working hours should comply with national laws or industry standards Suppliers shall not employ children and young persons under 18 at night or in hazardous conditions

- MT does not condone or allow any 3rd party and or contracted part to employ a child' child' refers to any persons less than 15 years of age, unless local legislation on the minimum age stipulates a higher age for work or mandatory schooling, in which case the higher age shall apply 'Young person' refers to any worker over the age of a child, as defined above, under the age of 18

➤ Discrimination

- Suppliers should have a policy of equality for all in the workplace with no discrimination on the basis of race, religion, nationality, age, gender, marital status, sexual orientation, disability, union membership or political affiliation

➤ Suppliers' Treatment of Employees:

Under no circumstances should suppliers abuse or intimidate, in any fashion, employees

- Any disciplinary measures should be recorded
- Suppliers should have a grievance/appeal procedure that is clear, easy to understand and should be given to the employee in writing
- In the event that suppliers' employees are unable to read, the grievance/appeal procedure should be read and explained to them by a union representative or another appropriate third-party Law

➤ Service Levels Provided – SLA's and or OLA'S:

Suppliers will be required to work and support detailed SLA's & OLA's. These will form of the required service and will be aligned to a contract and SOW (Statement of Work). Suppliers may be required to accept Service Credits and Debits as part of a contract and or SOW.

For the avoidance of doubt Suppliers will be performance managed on their capability to delivery SLA's and OLA's

Monthly, Quarterly and Annual performance reviews may form part of their performance management process

➤ Law, Compliance with legal and other obligations:

Suppliers should always work within the laws governed by their region/country.

All Suppliers shall comply with any local, government and of standards as set in their region/country

➤ Seeking advice, customer issues, escalation and resolution process:

All vendors must display and be able to provide written and best practice procedures in relation to:

- Customers who require guidance, advice and how they can support this process
- How Customers raise issues, faults, escalate, chain of command
- Escalation process and resolution, ticket, call log tracking
- Full end to end Resolution process. Compensation guide where required

➤ Ethical sourcing:

The main reasons for ensuring that supply chains meet these criteria should be professionalism and moral and legal obligations, but other drivers include:

- Media or consumer pressure
- The need to comply with a code of conduct or legal imperative
- A requirement to include such issues in annual financial or social accounts
- Social audits
- Ethical investors
- supply chains that include sources in a particular country or for a particular product which may be perceived to be high risk

➤ Reputation assurance:

MT may require written and or Customer Referral evidence and support to determine creditability of the Supplier. From time to time MT may require updated evidence of this

➤ High standard of documentation and best practice policies:



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Where applicable each Supplier must be able to present a high standard or documentation and best practice policies to ensure their working ethics. MT may require from time to time evidence and examples of the quality of their work

➤ **Health and Safety:**

Suppliers should assign responsibility for health and safety to a senior management representative

- Suppliers should have appropriate health and safety policies and procedures, and these should be demonstrable in the workplace
- Suppliers' employees should be trained in health and safety policy and procedures
- Suppliers should monitor compliance with health and safety policy
- Suppliers should provide employees (at the supplier's expense) with any necessary health and safety equipment, e.g. gloves, masks, helmets
- Working conditions should be comfortable and hygienic
- Suppliers should identify specific hazards, e.g. substances or equipment and should implement processes to minimise risk
- Suppliers' employees should have access to clean toilets
- Suppliers' employees should have regular breaks and have access to water suitable for drinking and washing as a minimum

➤ **Use of Power – Environmental Considerations:**

Where possible each Supplier should strive towards driving down their carbon footprint and reducing their impact on the Environment.

Suppliers who can prove that they have implemented and or manage a sustainability program in relation to use of power – environmental considerations will be considered be more desirable than those who have no charter

➤ **Integrity:**

Integrity is paramount to MT and the Suppliers it elects to work with. All Suppliers should operate in an honest and fair structure ensuring that Integrity is essential in their business practices.

➤ **Professionalism:**

Any Supplier must operate to the highest professional standards as possible. They should always without excuse deliver a professional and well-respected service. Employees should present a clean and professional representation of their company and more so MT.

Where applicable any Supplier should ensure suitable qualification and or Accreditation standard are achieved and adhered to

➤ **High standards:**

Each Supplier should strive towards achieving High Standards and maintainability of those standards.

A Supplier who utilise a development programme of High Standards will be considered to offer an advantage of customer care and due diligence

➤ **Optimal use of resources and time management:**

Suppliers should demonstrate effective utilisation of resources and time management to ensure best practice standards and services are delivered to our end Customers.

Effective use of a time management system and the ability to provide detailed time management information and or statistics may be required from time to time and may form part of the SLA and OLA requirement.

Link to UK & IOM and our GDPR policies is at:

<https://www.manxtelecom.com/media/0a2n2emd/mt-supplier-gdpr-data-protection-policy-v1-6-01-10-20.pdf>