



Herschel Infrared Ltd – Sustainable Procurement policy statement (July 2014)

This policy governs the way we work with our suppliers – our vendors, business partners and third parties (including subcontractors). The policy applies to all employees who procure from suppliers, in all our operating countries.

Policy objectives

Herschel Infrared Ltd is respected for providing high quality Far Infrared Heaters and installations. The way we manage our procurement and supply chain makes a huge difference to our profitability, our reputation and our success in meeting our sustainability objectives. Using vendors, business partners and third parties gives us flexibility and is integral to the sustainable delivery of client commitments. The objectives of this policy are to:

1. Make sure that suppliers comply with our policies and other legal requirements (including health and safety, human rights and labour standards, and employment laws);
2. Identify the risks associated with using suppliers and manage these risks to an acceptable level;
3. Ensure that the roles and responsibilities of suppliers are clearly defined and adhered to; and
4. Ensure that the way we supply and develop our products and services reflects our sustainability objectives and those of our clients.

Our approach to procurement is based on four principles:

1. We uphold ethical business practices and comply with legislation;
2. We are an intelligent customer. We understand the risks and complexities of the services we procure and are able to respond to performance issues appropriately;
3. We influence the priorities of our key suppliers so that they align with ours and those of our clients, to ensure a sustainable service to our customers; and
4. We ensure diversity is embedded within our supply chain.

Requirements

We always appoint suppliers for their ability to perform as defined as well as taking into consideration social values, ethical practices and environmental impacts. Encourage suppliers to monitor the sustainable credentials of their own suppliers, and assist those who require support. Agree all terms on an arms' length basis;

We ensure that all contracts address the key issues. These include defining vendor expectations, performance, scope of work, and deliverables. In particular, we seek confirmation regarding understanding of and adherence to the following Herschel Infrared Ltd policies: ethical business practice, sustainability, Environment and health and safety, Equality, diversity & inclusion. We make sure that all contracts protect our physical and intellectual property and data and, in the interests of transparency, include a right of audit.

We provide equal opportunities for small and medium sized businesses, minority owned businesses, social enterprises and the voluntary and community sector.

We ensure that any right to subcontract included in the contract is bound by the same terms and conditions, and is expressly agreed and approved by the contract manager prior to commencement. Before subcontractors are appointed, carry out a risk assessment and put mitigation measures in place.



Responsibilities

The CEO is responsible for reviewing, endorsing and achieving this policy's aims.

Managers are responsible for:

1. Implementing and enforcing the processes and procedures;
2. Undertaking effective sustainability evaluation and applying corrective actions;
3. Ensuring that their people are aware of their responsibilities and receive appropriate training; and
4. Addressing any inappropriate behaviour.

Employees are responsible for:

1. Carrying out their work in line with this policy and associated procedures;
2. Challenging any behaviour that falls short of the expectations of this policy; and
3. Identifying any breaches of this policy and reporting them to their line manager.

Suppliers are responsible for acting in accordance with this policy and associated procedures and guidance.

Paul Morey

A handwritten signature in black ink, appearing to read "Paul Morey".

Chief Executive Officer