

## **Procurement Policy**

### **OBJECTIVE**

1. To ensure that we procure goods and or services in line with the overall organisational goals of Instrument Transformers Ltd (ITL)
2. To develop close relationships with suppliers of key and/or critical materials.

### **MAIN PRINCIPLES**

#### **Definition of Procurement**

The term "Procurement" refers to the process by which goods, services and works are acquired from third parties. This is a lifecycle process that begins at the point of the initial purchase concept through to the end of life of the purchased asset or service.

#### **Value for Money**

In procuring goods, services or works, all purchasing personnel are responsible and accountable for achieving Value for Money (VfM). In addition, all employees are urged to seek continuous improvements in VfM.

#### **Rights of Purchasing**

All purchasing staff incorporate basic rights which are endemic and are expected of all their suppliers. If these rights are complied with, ITL will have a smooth transition from purchase order creation to the payment of the goods or services on the purchase order.

These **rights** are as follows:

1. All goods purchased by ITL should be of the right quality.
2. All goods purchased by ITL should be delivered in the right quantity.
3. All goods purchased by ITL should be delivered to the right place.
4. All goods purchased by ITL should be delivered at the right time.
5. All goods purchased by ITL should be at the right price.

### **SUPPLIER RELATIONSHIPS**

All suppliers will be dealt with equally, with integrity, with fairness, with courtesy and in a professional manner. Relationships with suppliers should be constructive, allied to a competitive approach that will lead to cost savings and better quality.

All suppliers which provide key or critical materials will be closely monitored on quality, cost and delivery performance. ITL will strive to build close partnerships with key suppliers which will enable a sharing policy of technical expertise and drive any innovations in the market(s) which could lead to cost savings and or quality improvements.

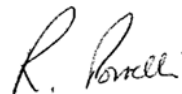
### **KEY ENVIRONMENTAL / SUSTAINABILITY OBJECTIVES**

Buying more sustainably, offers potential whole life cost savings and supports our commitment to sustainable procurement. The key objectives addressed by this policy are:

- Reducing fossil fuel usage to minimise climate change.
- Reducing usage of hazardous materials.
- Reducing waste.
- Increasing levels of employment and skills.
- Complying with current and anticipated future legislation.

### **CONCLUSION**

This policy statement clarifies ITL's procurement intentions. ITL realises that, in an ever more challenging economic world, it is more important than ever before to work in collaboration with all of our stakeholders, and by doing this with our suppliers, mutual benefits can be gained. By working as partners, where applicable, competitive advantage should be achieved.



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