



Creating Social Value through our Supply Chain:
Engaging with Micro, Small & Medium Enterprises (MSMEs)

MSMEs are integral to our delivery strategies and we depend on their regional capabilities. We are proud that the sub-contracting opportunities we provide to local businesses promote employment, economic growth and regional development. We measure our MSME engagement and have defined KPIs as part of our Supply Chain Sustainability

Telent operate a category management approach to Procurement, based on whole-market consideration and supplier relationship management. We uphold the principles of equal treatment, non-discrimination, proportionality and transparency to enable maximum MSME participation in our supply chain.

Collaboration drives the selection and management of our suppliers. By closely aligning with customer strategies and partnering with innovative, risk and performance managed sub-contractors, from MSMEs to multi-national organisations, we can be confident of delivering a right first time, sustainable advantage.

Engagement in FY22



Fair Share

£190m+ spent with MSMEs which was **66%** of suppliers and **57%** of expenditure



Fair Payment

90% of MSME's contracted to **30-day** payment terms or less



Fair Terms

We are committed to removing unnecessary barriers for MSMEs

Our MSME Action Plan

Our strategy is to achieve maximum social value on a whole-life basis. This is by generating benefits not only for Telent and our customers, but also society and the economy, whilst minimising damage to the environment.

We recognise the significance of engaging MSMEs in realising this agenda, in terms of their potential for socio-economic development through local job creation, market growth and innovation.

Fair share

In FY22, our direct expenditure with MSMEs around the country was over **£190m**. This accounted for 66% of our suppliers and 57% of applicable procurement expenditure in the year.

According to the National Social Value Task force, every £1 spent with a local MSME also generates a range of additional socio-economic benefits for their local communities, meaning we are delivering real Social Return on Investment (SROI) to our customers.

Fair payment

To ensure fair business relationships, our customer payment terms always flow-down to our subcontractors.

In FY22, 90% of the MSMEs we worked with were contracted to 30-day terms or less and our average payment performance was **29 days**. We have also committed to signing the Prompt Payment Code (PPC) to work towards paying 100% of SME's in 30 days.

Fair Terms

To enable maximum MSME participation in our supply chain, our expectations and contracts for are fair, balanced and reflect individual scopes of work. We are also committed to process simplicity to reduce disproportionate administration.

We have invested heavily in new digital systems to facilitate this, whilst maintaining the highest levels of due diligence and risk management.

Social Value & Sustainability

Increasing economic, social and environmental value is at the heart of our procurement policies. To maximise the potential of MSME engagement, we have committed to providing all UK businesses access to our supply chain.

In early 2022, we updated our corporate website with a range of Procurement related information for prospective MSME suppliers and a channel through which they can register their interest in supplying to us.

We take responsibility for the performance of current suppliers and our MSME Action Plan focusses on providing comprehensive resources and information to:

- Generate greater employment, skills and business building opportunities
- Support skills development initiatives and encourage talent into our sectors
- Promote Equality, Diversity and Inclusion (EDI)
- Improve the environment (air quality, CO2e)

All MSME partners are offered a range of resources including training materials, guidance, practical support and the opportunity to share best practice. We hold interactive supplier webinars to facilitate peer collaboration on topics including:

- Carbon Reduction
- Equality, Diversity and Inclusion (EDI)
- Strategic Labour Needs & Training (SLNT)
- GDPR
- Modern Slavery
- STEM Education
- Quality & Environmental Management Systems

For more information, please contact procurement@telent.com for the attention of our Responsible Procurement & Sustainability Manager.