



Working together

millierhomes

Miller Homes and our supply chain

Our suppliers are vital to our business. Without you, we wouldn't be able to deliver the exceptionally high level of customer satisfaction that we are known for. To us, our suppliers are partners for the long term.

This guide sets out our formal supplier selection process, the standards we expect of our suppliers and what happens when you work with Miller Homes. It is both for suppliers considering working with us and for our existing supply chain partners.

We hope it helps you to understand us better, so that we can work together as effectively as possible

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Who we are

Miller Homes is part of The Miller Group: a major property business specialising in housebuilding, commercial property, construction and integrated asset management services. With a focus on creating effective, long-term partnerships, the company aims to deliver world class levels of performance for all of our customers and stakeholders.

Miller Homes operates in seven regions across the UK, as follows:

Region	Regional Head Office	Areas of Operation
Scotland East	Edinburgh	Mid Lothian, East Lothian, Fife, Perthshire, Borders
Scotland West	Glasgow	Glasgow and surrounding area, Ayrshire
North East	North Shields	Tyneside, Northumberland, County Durham, Teesside, Cleveland
Yorkshire	Wakefield	Yorkshire, Humberside
North West	Newton le Willows	Lancashire, Cheshire, Merseyside, The Wirral, Great Manchester
Midlands	Derby	Gloucestershire, Oxfordshire, Staffordshire, West Midlands, Warwickshire, Worcestershire, Derbyshire, Leicestershire, Nottinghamshire, Lincolnshire, Northants
Southern	Basingstoke	Hampshire, Wiltshire, Berkshire, Dorset, Sussex, Bucks, Hertfordshire, Bedfordshire, Cambridgeshire.

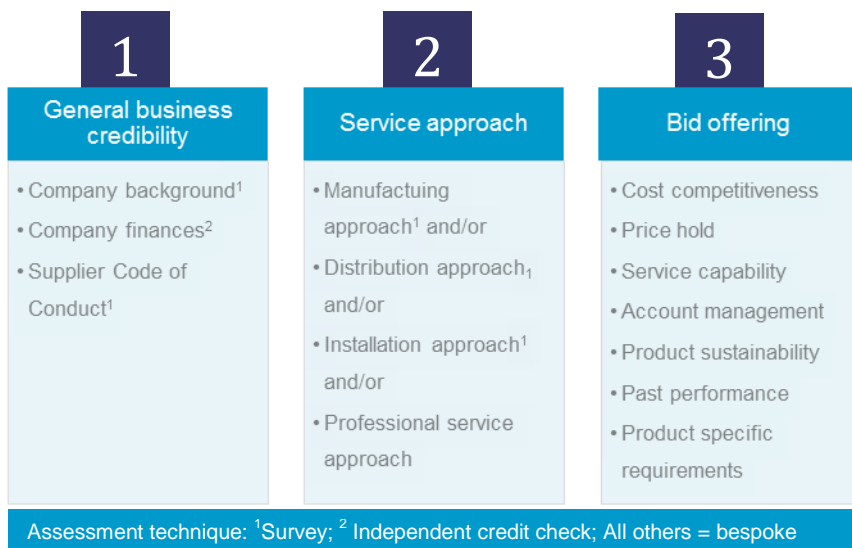
We work with supply chain partners at both national and local level. Typically our key commodities will be centrally procured for the division and on a regional basis we source local suppliers for installation. Whoever we work with, we treat it as a long term relationship and work hard with you to make it successful.

Our supplier selection process*

We select our supply chain partners based on three levels of their business:

- 1) General business credibility
- 2) Service approach
- 3) Bid offering

Every supplier, regardless of the service or product they offer, is evaluated against their general business credibility in the same manner. Suppliers offering the same type of service (e.g. manufacturing, distribution, installation or professional service) are then evaluated against consistent criteria specifically relating to their type of service. Finally the bid offering is assessed and evaluated based on the unique needs of that product/service.



Vendor Assessment Criteria Categories

We are committed to doing this in a fair way so our tender process evaluates all bids against pre-defined and weighted criteria covering the categories shown in the diagram above. Where possible, answers are scored on an objective basis and all scores are combined to give suppliers an overall score. The supplier(s) with the highest scores are the one(s) we go on to work with. Throughout the tender process we will be on-hand to give you advice and support.

* This section outlines the formal process we go through to select our suppliers. Alternative selection processes are used in some cases. Your Miller contact will be able to confirm to you if this process will apply to your tender.

What we expect

We expect our supply chain partners to reflect both the standards we set ourselves and those that are expected by our customers.

We distinguish between two types of standard, 'Compliance' and 'Excellence'. 'Compliance' standards are the minimum standards that we require for you to work with us. All of these requirements must be met. 'Excellence' standards are practices that go above and beyond 'Compliance'. We give preference in the tender process to those suppliers who meet these standards.

We encourage our suppliers to not only comply with these standards but to promote these standards to their suppliers too.

During the vendor assessment process we will ask for evidence that you meet our standards. This may be a copy of the relevant documentation or a demonstration of compliance when we speak to or visit you.

Supplier Code of Conduct:

- **Legal compliance:** There must be compliance with all legislative requirements in the countries in which you operate, and appropriate business insurance cover.
- **Health and safety:** A safe and healthy working environment shall be provided for all employees.
- **Respect for human rights:** The rights of individuals should be supported and respected and there shall be no discrimination on the basis of race, religion, disability, age, sexual orientation, marital status, expectant parenthood or gender.
- **Labour standards:** There shall be no use of child, forced or compulsory labour, and the supplier shall comply with relevant legislation regarding working hours, wages and benefits.
- **Freedom of association:** Employee's rights to freedom of association and collective bargaining shall be respected.
- **Prohibition of corruption and bribery:** Business will be conducted in an honest manner and no corruption or bribery in any form will be tolerated.
- **Quality products and service:** High quality products and services should be provided.

1

General business credibility

The standards we expect at the general business level apply to all our suppliers, regardless of the service they provide. These standards are defined in our Supplier Code of Conduct. The code requirements are based on our own company policies, the principles of the

United Nations Global Compact and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.

The table below sets out how to put our Supplier Code of Conduct into practice.

Requirement	Compliance	Excellence
Legal compliance	<ul style="list-style-type: none"> ● Disclosure of legislative breaches in past five years ● Evidence of employee right to work in the UK ● Employer's liability insurance* ● Public liability insurance* 	
Health and safety	<ul style="list-style-type: none"> ● Health and safety policy* ● Health and safety management system 	<ul style="list-style-type: none"> ● Health and safety targets ● OHSAS 18001 certification by a UKAS accredited body*
Respect for human rights	<ul style="list-style-type: none"> ● Equality, diversity and/or inclusion policy* ● Grievance procedures* 	
Labour standards	<ul style="list-style-type: none"> ● Forced / child labour policy (for suppliers with operations outside of the UK)* ● Employee rights (including working hours, wages and benefits) policy* 	<ul style="list-style-type: none"> ● Employee training and development policy*
Freedom of association		<ul style="list-style-type: none"> ● Employee freedom of association policy* ● Employee collective bargaining policy*
Prohibition of corruption and bribery	<ul style="list-style-type: none"> ● Corruption & bribery policy* 	<ul style="list-style-type: none"> ● Whistleblowing procedures
Quality products and service	<ul style="list-style-type: none"> ● Quality policy* ● Quality management system (QMS) ● Internally audited QMS ● Dedicated customer service staff; ● Adherence to MH non-emergency issue response times 	<ul style="list-style-type: none"> ● Quality targets ● ISO 9001 certification by a UKAS accredited body* ● Externally audited QMS

* Evidence of documentation will be required.

2

Service approach

The standards we expect of your service approach depend on the nature of the service you will be providing to us, be it manufacturing, distributing or installing products, or providing a professional service. If you provide more than one of these services to us you must meet all

the requirements for each service type.

As with the Supplier Code of Conduct, we require all 'Compliance' elements to be met to work with us and will prioritise suppliers who meet any 'Excellence' standards.

Service type	Compliance	Excellence
Manufacturing and distribution	<ul style="list-style-type: none"> ● CE product marking ● Product liability insurance* ● Environment policy* ● Environment management system (EMS) ● Internally audited EMS ● Product guarantee for two years 	<ul style="list-style-type: none"> ● Environment targets ● ISO 14001 / EMAS certification by a UKAS accredited body* ● Externally audited EMS ● Resupply products for three years
	For products containing timber products:	
	<ul style="list-style-type: none"> ● Timber policy* ● Supplier's timber suppliers to have FSC / PEFC certification* 	<ul style="list-style-type: none"> ● FSC / PEFC certification in the supplier's name* ● FSC / PEFC certification details included on invoices
Distribution	<ul style="list-style-type: none"> ● Waste carrier / dealer / broker licence* 	<ul style="list-style-type: none"> ● Report distribution carbon emissions
Installation (including sub-contractors)	<ul style="list-style-type: none"> ● SMAS Worksafe certificate* ● All operatives with appropriate CSCS cards 	
Professional service	<ul style="list-style-type: none"> ● Professional indemnity insurance* 	

* Evidence of documentation will be required.

3

Bid offering

Our requirements for the specific product/service you are bidding for are unique to that tender, at that time. We will communicate to you what these needs are during the tender process.

The type of bid-specific requirements we consider include those outlined below, but with different weightings and criteria depending on the specific tender.

Bid element	Description
Cost competitiveness	We are always looking for ways to lower our costs so that we can keep house prices at an affordable level for our customers, without compromising on quality. Whatever the tender you will be required to provide detailed cost information in the designated tender format.
Price hold	Our preference is to work with suppliers that can provide cost certainty to us, and our expectations on this will be set out in our tender documentation. Where a fixed price cannot be provided any cost movement must be capped and index-linked to raw materials or other relevant measures.
Service capability	All suppliers are required to meet our non-emergency service level requirements (see page 14). Additional service level requirements will be placed on suppliers who could be required to assist with a customer emergency situation. In our Customer Charter we commit to responding to emergency situations within four hours and we therefore require the relevant suppliers to be able to do the same.
Account management	Our expectation is that suppliers will assist us in managing our supply arrangements. Agreements at the national level will require local involvement by you, and you will be required to submit monthly KPI data to help us measure your performance. We will also carry out internal assessments of your performance and provide you with appropriate feedback to drive continuous improvement.
Product sustainability	We are committed to minimising the whole life environmental impact of our business, including minimising energy demands, water consumption, biodiversity impact and waste to landfill. Suppliers of products with significant environmental impacts will be required to demonstrate how they have reduced their biggest impacts and will be prioritised based on this.
Product quality	We expect our suppliers to provide their goods and services to the best available standard. All products must meet our obligations of compliance with the Building Regulations and NHBC Standards, and any other product specific requirements that we expect will be set out in our tender enquiry documentation.
Past performance	We seek to work with suppliers on a long-term basis so that we both get the best out of the relationship. When contracts come for renewal we will prioritise suppliers that we have previously worked and who demonstrated good performance during that time.

Helping you get there

We are committed to being a responsible and sustainable business and want our suppliers to be responsible and sustainable businesses too. The following sections give you advice on how you can meet with our expectations and beyond.

1

General business credibility requirements

Legal compliance

●C Disclosure of legislative breaches in past five years

Our suppliers are all responsible for ensuring they understand and adhere to the legal practices in the countries in which they operate. To understand these, we recommend using the resources available from the local country's government.

For more information see:
- UK Government business information:

<http://bit.ly/MJCCC4>

- UK Government license finder: <http://bit.ly/N7kTlI>

●C Evidence of employee right to work in the UK

Under the Immigration, Asylum and Nationality Act, 2006, employers have a duty to prevent illegal working by carrying out document checks to confirm if a person has the right to work in the UK.

Employing illegal workers can lead to fines of up to £10,000 per worker.

We expect our suppliers to have procedures that ensure their employees have evidence of their right to work in the UK.

For more information see:

- UK Border Agency guidance on preventing illegal working in the UK:

<http://bit.ly/14A5Ra>

●C Employer's liability insurance

Employer's liability insurance covers a business in the event that an employee, or former employee, becomes injured or ill as a result of their work whilst in your employment and claims compensation. It is a legal requirement for the vast majority of businesses under the Employers' Liability (Compulsory Insurance) Act 1969.

For more information see:

- Employers' Liability (Compulsory Insurance)

Act 1969: A brief guide for employers:

<http://bit.ly/1appxXN>

●C Public liability insurance

Public liability insurance covers a business in the event that a member of the public is accidentally injured and your business is found to be liable. There is no legal requirement to have public liability insurance however many local authorities require it and we require it too.

Health and safety

●C Health and safety policy

Under the Health and Safety at Work etc Act, 1974, it is a legal requirement for all companies with five or more employees to have a documented health and safety policy.

For more information see:

- HSE guidance:
<http://bit.ly/hfS153>

● **C Health and safety management system**

A health and safety management system is a process to identify, assess and control workplace hazards.

The Health and Safety Executive recommends that a successful health and safety management system should include health and safety:

- 1) Policy
- 2) Organising
- 3) Planning and implementing
- 4) Measuring performance
- 5) Reviewing performance
- 6) Auditing

It is also a legal requirement under the Reporting of Injuries, Disease and Dangerous Occurrences Regulations 1995 for employers to report certain serious workplace accidents, occupational diseases and specified dangerous occurrences.

For more information see:

- Successful health and safety management (HSG65):
<http://bit.ly/1bEOGPF>
- HSE guidance on Reporting of Injuries, Disease and Dangerous Occurrences Regulations 1995: <http://bit.ly/kHfeJp>

● **E Health and safety targets**

Health and safety targets should form part of any health and safety management system. We expect performance against these targets to be measured and monitored.

● **E OHSAS 18001 certification by a UKAS accredited body**

OHSAS 18001 is a British Standard for health and safety management. It aligns closely with the HSG65 (HSE's Successful health and safety management approach). It sets out minimum standards for occupational health and safety management best practice. The standard is internationally recognised as assurance of best practice.

To gain OHSAS 18001 certification you must have an independent assessment of your company's health and safety management system. We only recognise certification by a UKAS accredited body.

For more information see:

- UKAS certified bodies:
<http://bit.ly/12Cyfij>
- BS OHSAS 18001 standard:
<http://bit.ly/cbrVrv>

Respect for human rights

● **C Equality, diversity and/or inclusion policy**

Discrimination on the basis of any protected characteristic (i.e. age, disability, gender reassignment, race, religion or belief, sex, sexual orientation, marriage and civil partnership, and pregnancy and maternity) is unlawful under the Equalities Act 2010, which was brought in to harmonise and replace previous anti-discrimination legislation into one act.

Types of discrimination that are unlawful under this act include:

- 1) Direct discrimination: This is when someone is treated less favourably than another person because of a protected characteristic they have;
- 2) Associative discrimination: This is direct discrimination against someone because they associate with another person who possesses a protected characteristic;
- 3) Discrimination by Perception: This is direct discrimination against an individual because others think they possess a particular characteristic. It applies even if the person does not actually possess that characteristic;
- 4) Indirect discrimination:

Indirect discrimination can occur when you have a condition, rule, policy or even a practice in the company that applies to everyone but particularly disadvantages people who share a protected characteristic;

5) Harassment: This is unwanted conduct related to a relevant protected characteristic, which has the purpose or effect of being deemed offensive by the recipient even if the behaviour was not directed at them;

6) Harassment by a third party: Employers can be made liable for harassment of their employees by people (third parties) who are not employees of the company;

7) Victimisation: Occurs when an employee is treated badly because they have made or supported a complaint or raised a grievance under the Equality Act; or because they are suspected of doing so.

To ensure these types of discrimination don't happen in our supply chain's companies, we expect all our suppliers to have a policy stating their commitment to equality and for this to be implemented throughout their business.

For more information see:
- The Equalities Act 2010:
<http://bit.ly/bL8zDq>

●C Grievance procedures

Grievances are concerns, problems or complaints that employees raise with their employer. Grievance procedures allow employers to deal with this fairly.

The statutory procedure for grievances is defined in the Employment Act 2002 and applies to all companies, regardless of size. ACAS provides further guidance on grievance procedure best practice.

For more information see:
- The ACAS guide:
Discipline and grievances at work: <http://bit.ly/dggFr0>

Labour standards

●C Forced / child labour policy (for suppliers with operations outside of the UK)

Prohibition of forced and child labour are requirement of the International Labour Organization (ILO)'s Labour Standards, which have been adopted by the UK.

Forced labour is defined by the ILO as, "*all work or service which is extracted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily*".

Child labour is defined by the ILO as, "*work that deprives children of their childhood, their potential and their dignity, and that is harmful to physical and mental development*".

Forced labour is illegal under Article 11 of the European Convention of Human Rights (1984) and it is illegal to employ anybody full time until after the last Friday in June of the academic year when they turn 16.

It is the responsibility of the supplier to ensure that their workforce does not include forced or child labour. We expect suppliers working outside of the UK to commit to this in their policies.

For more information see:
- ILO Forced Labour: <http://bit.ly/gQscRf>
- ILO child labour: <http://bit.ly/KNSi0M>
- UK Gov guidance: <http://bit.ly/YRAuJG>

●C Employee rights (including working hours, wages and benefits) policy

We expect our suppliers to understand the legal requirements pertinent to their business that relate to the treatment of their employees and commit to meeting these in a clear policy statement. These may include:

The Working Time Directive: Under this

directive EU employees are entitled to a minimum number of holidays each year, rest breaks, and a right to work no more than 48 hours a week. In the UK it is possible to opt out of the 48 hour working week and work longer hours.

The Employment Rights Act (1996): Requirements relating to employees include providing employees with employment contracts, protection against "detriment" suffered because of disclosing information for public benefit, paid time off for training, jury duty and ante natal care, reasonable notice of dismissal, redundancy payments and the right not to be unfairly dismissed

The National Minimum Wage Act 1998: Creates a minimum wage. As at June 2013 the rates were £6.19 per hour for those aged 21 or over and £4.98 for 18-20 year olds.

The Pensions Act 2008: Requires all employees earning between £5,035 and £33,540 to be automatically enrolled in an occupational pension scheme (unless they opt out).

Equal remuneration (pay and benefits) for work of equal value for men and women is one of the

International Labour Organization (ILO)'s Labour Standards, which have been adopted by the UK.

For more information see:
- UK Gov working information:
<http://bit.ly/TtXefU>

●E Employee training and development policy

Employees are vital to the success of any company. We are committed to identifying and addressing the training and development needs of our employees and we expect our suppliers to do the same.

Freedom of association

●E Employee freedom of association policy

Freedom of association means allowing all employees and employers to freely establish and join organisations (e.g. trade unions etc.). It is a requirement of the International Labour Organization's Labour Standards, which have been adopted by the UK. Freedom of association is a legal requirement under Article 11 of the European Convention of Human Rights (1984) and the UK Human Rights Act 1998.

For more information see:

- International Labour Organization (ILO):
<http://bit.ly/18kTV8n>
- European Convention of Human Rights:
<http://bit.ly/avyt3m>
- Human Rights Act 1998:
<http://bit.ly/aYO7lh>

●E Employee collective bargaining policy

Collective bargaining means allowing employees and employers to discuss and negotiate their work relations such as terms and conditions of work. Alongside freedom of association is a requirement of the ILO and the European Convention of Human Rights, article 11.

Prohibition of corruption and bribery

●C Corruption & bribery policy

Since the Bribery Act 2010 came into force on 1st July 2011 it has become an offence for any UK company to offer or receive bribes, bribe foreign public officials or fail to prevent a bribe being paid on an organisation's behalf.

To minimise the risk of bribery and corruption we expect all our supply chain to have an anti-bribery and corruption policy. For assistance in developing these we recommend application of the Government's guidance

notes, which include principles of proportionate procedures, top-level commitment, risk assessment, due diligence, communication, and monitoring and review.

For more information see:

- Bribery Act 2010:

<http://bit.ly/anr9iz>

- Guidance notes on

procedures which

organisations can put into place to prevent bribery:

<http://bit.ly/HhQ6Bf>

●E Whistleblowing procedures

Whistleblowing is when a worker reports suspected wrongdoing at work.

Whistleblowing procedures provide assurance that any instances of bribery/corruption or any other dishonest acts will be raised appropriately within the business.

Employees are protected from detrimental treatment by their employer as a result of whistleblowing in the Public Interest Disclosure Act 1998.

Quality products and service

●C Quality policy

A quality policy sets out your company's commitment to quality.

The policy should be appropriate to your business and show a commitment to complying with legislation and

continual improvement.

The policy should be communicated to all employees and made available externally too.

To keep the policy relevant it should be regularly reviewed for continuing suitability.

●C Quality management system (QMS)

A QMS defines the company's procedures and resources to deliver products and services to the required quality.

It should typically include the following four stages.

- 1) Plan: Identify quality requirements, set objectives and targets to meet these and commit to your approach in a quality policy. Document quality procedures, roles and responsibilities in a quality manual
- 2) Do: Implement actions to meet the objectives and targets.
- 3) Check: Review your performance against your objectives and targets, to check you've achieved what was planned.
- 4) Act: Make further improvements.

We require our suppliers to have formally documented quality management systems.

●C Internally audited QMS

To ensure effective implementation of the QMS we expect suppliers to conduct internal audits.

These should occur at planned intervals and reflect the status and importance of the process/area. Audits should be conducted by impartial auditors, and after the audit any nonconformities identified should be addressed and re-verified by the auditor.

●C Dedicated customer service staff

Customer satisfaction is our priority so to ensure we can meet and address any customer concerns as quickly as possible we expect our suppliers to make dedicated personnel available to deal with customer concerns raised through our employees.

●C Adherence to Miller Homes non-emergency issue response times

Our Customer Charter sets out our service commitments to our customers and we are dependent on our suppliers to help us deliver these. We therefore require all our suppliers to agree to the following responses to non-emergency situations:

- 1) Respond to all telephone calls within 24 hours;
- 2) Complete a job requiring labour within 10 working days;
- 3) Complete a job requiring parts within 20 working days.

Note that emergency

response time requirements are tender specific and will be set out under the bid offering requirements as appropriate.

●E Quality targets

Quality targets should form part of any quality management system and could cover measures such as delivery on time and in full. We expect performance against quality targets to be measured and monitored.

●E ISO 9001 certification by a UKAS accredited body

ISO (International Standards Organisation) 9001 is an internationally recognised standard for quality management system best practice. As with ISO 14001 and OHSAS 18001, compliance with ISO 9001 must be externally certified. To ensure the high standards of ISO 9001 are maintained we only accept certification from UKAS accredited bodies.

For more information see:
- UKAS QMS accredited bodies: <http://bit.ly/xFOOec>

●E Externally audited QMS

Suppliers with ISO 9001 certified quality management systems will be externally audited as part of their certification. For suppliers who aren't certified we still recommend at least annual external audits to verify the effectiveness of the QMS.

2

Service approach requirements

Manufacturing and distribution

●●C CE product marking

Under the Construction Products Regulations (2011) it will be mandatory after 1st July 2013 for manufacturers of specifically defined construction products to apply CE markings.

Distributors and importers of these products also have an obligation to ensure the manufacturers they use have met with the requirements.

Products which fall under these regulations are those covered by a

harmonised European Standard (hEN) or those which conform to a European Technical Assessment (ETA).

If you manufacture products, we will ask for evidence of CE markings on your products (where applicable). If you distribute products which are required to have CE markings we will ask for evidence that you check your suppliers are using CE markings.

For more information see:
- Construction Products Regulations Guidance notes: <http://bit.ly/KJYAyt>
- Construction Products

Association:
<http://bit.ly/1bEPQuy>

●●C Product liability insurance

Product liability insurance covers a business in the event that harm is caused by an unsafe product and your business is found to be liable.

Under the Consumer Protection Act 1987 any manufacturer or distributor of a product has a legal requirement to ensure their product is safe, including warning customers about risks, providing information to help customers understand risks, monitoring the safety of

the product and taking action is a safety problem is found.

Product liability insurance provides cover in the case that this legislation is found to have been breached and we require all our product suppliers to have it.

For more information see:
- Consumer Protection Act 1987: <http://bit.ly/mU51HV>
- Product liability insurance: <http://bit.ly/1bjlPSm>

●●C Environment policy

An Environment policy is a documented policy stating your commitment to minimising your impact on the environment.

The policy should be appropriate to the size, scale and environmental impacts of your business and show a commitment to complying with legislation and continual improvement. It should be communicated to all employees and made available externally too.

To ensure on-going relevance the policy should be regularly reviewed.

●●C Environment management system (EMS)

An EMS is a structured framework for ensuring environmental impacts are understood and managed,

and that you are compliant with environmental laws and regulations. It should typically include the following four stages.

- 1) Plan: Analyse environmental impacts and legal requirements and use these to set objectives and targets for what needs to be done. Set out your approach in an environmental policy.
- 2) Do: Implement actions to meet the objectives and targets.
- 3) Check: Review your performance against your objectives and targets, to check you've achieved what was planned.
- 4) Act: Make further improvements.

We require suppliers to have a formally documented EMS.

●●C Internally audited EMS

To ensure effective implementation of the EMS we expect suppliers to conduct internal audits. These should occur at planned intervals and reflect the status and importance of the process/area.

Audits should be conducted by impartial auditors, and after the audit, any non-conformities should be addressed.

●C Product guarantee for two years

We require all products to be covered by a guarantee

for a minimum of two years from the completion date of the dwelling.

●●E Environment targets

Environmental targets should form part of any environmental management system and should cover all the key environmental aspects faced by the business. We expect performance against these targets to be measured and monitored.

●●E Externally audited EMS

Suppliers with ISO 14001 / EMAS certified environmental management systems will be externally audited as part of their certification.

For suppliers who aren't certified we still recommend at least annual external audits to verify the effectiveness of the EMS.

●E Resupply products for three years

We prioritise manufacturers who are able to hold finished products or remanufacture products for at least three years from the supply date.

●●C Timber policy

A timber policy sets your company's approach to timber sourcing, and should be backed up with robust procedures.

In line with our policy, we

expect our supplier's timber policies to show a commitment to sourcing timber from known, legal and sustainable sources.

For timber to be from a known and legal source it must be possible to both trace the timber product back to its source and for the harvesting entity to have a legal right to harvest it.

Under the EU Timber Regulations (effective 3rd March 2013) it is a legal requirement for all organisations purchasing timber from outside the EU (known as 'Operators') to conduct suitable due diligence to reduce the risk of purchasing timber from an illegal source. Suppliers who purchase timber from an EU source (known as 'Traders') must document both who they have purchased timber from, and the Traders they have sold it to, for a minimum of five years.

Sustainable timber is sourced from well-managed and sustainable forests that minimise harm to the environment and the local communities.

For more information see:
- EU Timber Regulations: <http://bit.ly/y65dlH>

●●C Suppliers' timber suppliers to have FSC / PEFC certification
Timber certification

schemes provide external assurance that timber is sourced from sustainably sourced. We support the use of the Forest Stewardship Council (FSC) and Programme for the Endorsement of Forest Certification (PEFC) chain of custody schemes and require all timber products to be sourced from an FSC or PEFC certified source. PEFC certified sources include the PEFC endorsed ATFS, CSA and SFI schemes.

Preferably this will mean that our direct supplier has chain of custody certification for the products sold to Miller Homes but we will accept timber products from suppliers who are not directly certified but who can provide evidence that their supply chain is certified. When the latter is the case we require all suppliers to provide written or e-mail evidence confirming who all their suppliers who provide timber for Miller products, alongside the associated PEFC and FSC timber certificates for these suppliers.

For more information see:
- Timber Trade Federation (TTF): <http://bit.ly/1apqWxi>
- Forest Stewardship Council (FSC): <http://bit.ly/bSMmAO>
- Programme for the Endorsement of Forest

Certification (PEFC):
<http://bit.ly/cm9anT>

●●E FSC / PEFC certification in the supplier's name

The FSC and PEFC schemes each have their own requirements to obtain certification but typically these include third party verification of:

- 1) Documentation of the certification status of each timber delivery;
- 2) Physical separation of production and storage of products which contain certified timber;
- 3) Evidence of chain of custody certification is provided to the customer.

The cost of obtaining chain of custody certification will depend on the size and nature of your business. Organisations that can certify compliance with the FSC and PEFC include BM TRADA, Soil Association, SGS and the Rain Forest Alliance. Typically the certification body will require a fee for auditing your processes and the FSC and PEFC ask for a membership fee on top of this.

For smaller companies there is an option to get a Group Chain of Custody certificate which can be cheaper than getting certification independently.

For more information see:
- Group certification with the British Woodworking

Federation:
<http://bit.ly/1cKlt5q>

● **E FSC / PEFC certification details included on invoices**
 FSC / PEFC certification verifies which of the products you produce are from legal, known and sustainable sources. You may also sell products which are sourced from non-FSC/PEFC certified sources. Therefore, for additional assurance of the source of our timber we ask suppliers who have direct chain of custody certification (i.e. certification in your company's name) to include confirmation on your invoices of the chain of custody certification associated with each invoice item. This should refer to the scheme name (e.g. FSC or PEFC), certificate number and claim (e.g. FSC pure, FSC mixed etc.).

Distribution

● **C Waste carrier / dealer / broker licence**
 It is a legal requirement under the Controlled Waste Regulations 1992 to register your company as a waste carrier, dealer or broker if you transport waste within Great Britain. In Scotland, since the Waste Management Licensing Regulations 2011, some specific types of operations do not

require a licence but do need to register. From January 2014 you will also need to register if you regularly transport waste that you have produced yourselves whilst going about your normal business activity.

You can be fined up to £5000 if you carry waste but aren't registered.

For more information see:
 - Environment Agency:
<http://bit.ly/e08NeS>
 - Scottish Environment Protection Agency:
<http://bit.ly/14VFORX>
 - Waste carrier or broker registration (England and Wales):
<http://bit.ly/12FTdcB>

● **E Report carbon emissions from distribution**
 We are committed to measuring and reducing the whole life carbon footprint of our business, which includes the carbon emissions we generate through our supply chain.

We ask our suppliers who distribute products to our sites to measure and report monthly on the carbon emission that arise from their delivery process. We acknowledge this can be difficult to compute for multi-drop deliveries and have identified a range of methods suppliers can use to approximate their carbon emissions from transport. Further details on this can be found in our

specific Miller Homes Supplier Guidance Notes: Carbon Emissions from Transport (available on request).

Installation

● **C SMAS Worksafe Certificate**
 The SMAS Worksafe Certificate is awarded to suppliers by SMAS based on their approach to health and safety. Assessment is through completing a form which covers topics including your health and safety policy, method statements and risk assessments, H&S training, insurances, sub-contractor selection process and accident records.

SMAS is a registered member of the Safety Schemes in Procurement (SSIP) Forum and as such the SMAS Worksafe Certification is recognised by many other SSIP member schemes. Similarly, by completing a brief form and paying a small fee you can obtain an SMAS Worksafe Certificate if you already have a certificate by another SSIP member scheme.

We require all suppliers who work with us to have SMAS certification or certification by another SSIP member scheme and be willing to get SMAS

certification if successful in the tender.

For more information see:
- SMAS:
<http://bit.ly/147ZBQ9>

●C All operatives with appropriate CSCS cards

The Construction Skills Certification Scheme (CSCS) was set up to improve site workers' competence to reduce accidents and improve on-site efficiency. It is now a

cross industry recognised scheme.

CSCS cards are awarded to individuals following a health, safety and environmental assessment. We require all operatives on site to have a CSCS card appropriate to their role.

For more information see:
- CSCS:
<http://bit.ly/8X7sQv>

Professional service

●C Professional indemnity insurance

This insurance covers a business in the event that a client claims to have suffered a loss as a result of your professional negligence. There is no legal requirement to have this insurance however if you are offering design or other professional services we require that you have it to work with us.

Documentation checklist

Selection criteria	Document
Supplier Code of Conduct	<ul style="list-style-type: none"> ●C Employer's liability insurance certificate ●C Public liability insurance certificate ●C Documented health and safety policy ●E OHSAS 18001 certification by a UKAS accredited body ●C Equality, diversity and/or inclusion policy ●C Grievance procedures ●C Forced / child labour policy (if applicable) ●C Employee rights policy ●E Employee training and development policy ●E Employee freedom of association policy ●E Employee collective bargaining policy ●C Corruption & bribery policy ●C Quality policy ●E ISO 9001 certification by a UKAS accredited body
Manufacturing and distribution	<ul style="list-style-type: none"> ●●C Product liability insurance ●●C Environment policy ●●E ISO 14001 / EMAS certification by a UKAS accredited body ●C Timber policy ●C Suppliers' timber suppliers to have FSC / PEFC certification ●E FSC / PEFC certification in the supplier's name
Distribution	<ul style="list-style-type: none"> ●C Waste carrier / dealer / broker licence
Installation	<ul style="list-style-type: none"> ●C SMAS Worksafe Certificate
Professional service	<ul style="list-style-type: none"> ●C Professional indemnity insurance

A long term relationship

Once you are one of our suppliers we are committed to working together to achieve a successful relationship. We see the relationship as two-way. We will ask you to provide us with certain information but we will also work with you, providing you feedback and working together on mutual areas of concern. At a minimum you can expect the relationship to include:

- **Supplier Performance Appraisals.** We will appraise your performance regularly based on feedback provided by our site managers. Our site managers will evaluate you based on your delivery on-time performance, quality of products, speed of response to queries and overall satisfaction with the supplier. We'll also be asking our sub-contractors to provide feedback to us on the products supplied by our manufacturers. The findings will be collated into a personalised written report.
- **Miller Homes Performance Appraisals.** We want to understand how we can improve our approach to our supply chain so we'll be asking you to complete anonymous evaluation surveys on our performance.
- **Key performance indicators (KPI).** We will require you to provide us on a monthly basis pre-defined KPI data. Typically these will measure your design, delivery and/or installation process timeliness, and where appropriate your customer care services.
- **Supplier audits.** We ask all suppliers to provide us with updated versions of the documentation collated during the tender process, as and when they become out of date. All documentation will be audited on an annual basis to ensure they are still valid.
- **Consider past performance in tenders.** We want to build a lasting relationship with our suppliers so we will always consider past performance of suppliers in our tender process.
- **Prompt payment.** We are committed to paying our suppliers promptly.
- **Work with us to deliver our business strategy.** We will communicate with our suppliers what our business priorities are and where they are relevant to your business we ask you to work with us to achieve them.

Prompt Payment Code

Approved Signatory

www.promptpaymentcode.org.uk

administered by the Institute of Credit Management on behalf of BIS



the place to be®

Thank you to every member of our supply chain for helping us to build our houses and make them into homes for thousands of happy customers every year.

For more information please contact: mh.procurement@miller.co.uk