

The Sizewell C Project
Supply Chain Working Group
Terms of Reference

This Group is established in accordance with paragraph 4.3 of Schedule 7 to the Deed of Obligation between (1) East Suffolk Council ('ESC') (2) Suffolk County Council ('SCC') and (3) Sizewell C Limited ('SZC Co') dated 08 October 2021 as varied by the first and second deeds of variation dated 13 April 2022 and 6 May 2022 respectively (the 'Deed of Obligation' or 'DoO').

This Terms of Reference includes the scope, obligations and agreed governance as set out within the DoO. Any revisions to the Terms of Reference have been agreed in accordance with the Terms of Reference themselves. Except where expressly stated otherwise, words and expressions used in this Terms of Reference will have the same meaning as defined in the Deed of Obligation.

1. Establishment

On or before Commencement, SZC Co shall establish the Supply Chain Working Group, which shall exist until the end of the Construction Period.

2. Purpose / Function

- The purpose of the Supply Chain Working Group is for the Project (and its contractors) to work with the local authorities and other relevant stakeholders (as set out in the Deed of Obligation) to facilitate collaboration and share information and advice with the aim of maximising local and regional content in the Project, delivering economic benefits and leaving a legacy of an upskilled supply chain.
- The function of the group is to review and inform the development of Supply Chain Work Plans for the Project, in the context of monitoring information and local / regional plans and policies.
- The Supply Chain Working Group is one of three Economic Working Groups, existing under the Economic Review Group. The others are the Employment, Skills and Education Working Group and Tourism Working Group.

3. Scope of Work

The Supply Chain Working Group shall:

- a) view and discuss the Supply Chain Work Plan, including the effectiveness of the measures set out therein, at least every six months;
- b) view and discuss monitoring information provided by SZC Co on the scale of regional contracts awarded by type, value, and location; and
- c) view SZC Co's supply chain activities in the context of local/regional plans and policies in order to facilitate collaboration and share information and advice.

Supply Chain Work Plan

During the Construction Period, SZC Co shall provide an updated Supply Chain Work Plan (Annex F of the Deed of Obligation shows the Examination version) every six months. This will include a list of activities that SZC Co will undertake or procure in order to deliver the Supply Chain Principles.

The Supply Chain Principles means SZC Co's approach to engaging the local and regional supply chain for the Project, including:

- a) specific measures (such as a website (the 'Supply Chain Portal') providing information in respect of the Project's supply chain, engagement process) and processes that have been or will be put in place to support local and regional supply chain engagement to enable businesses in the east of England to compete for opportunities on the Project;
- b) SZC Co's partnership with Suffolk Chamber of Commerce to assist local and regional businesses in successfully contracting for the supply of goods and services and to support the legacy of industrial inward investment arising from the Project;

- c) monitoring and reporting principles; and
- d) details of integration between SZC Co's proposed measures for employment, skills, and education and supply chain engagement defined as the "Local Supply Chain Skills Programme" in Schedule 7 of the Deed of Obligation.

Monitoring Information

To support the review of the Supply Chain Work Plan, during the Construction Period, SZC Co shall provide the Supply Chain Working Group with Supply Chain Monitoring Information on an annual basis, and any other information requested by the Supply Chain Working Group (acting reasonably) that can reasonably be provided by SZC Co identified in consultation with SZC Co and Tier 1 Contractors that would aid the activity of regional stakeholders and inform the development of Supply Chain Work Plans such as the following:

- a) total value of contracts awarded to businesses based in East of England, by District;
- b) value of contracts awarded to businesses based in East of England by work package / sector, by District;
- c) total number and sector of businesses registered on the 'Supply Chain Portal' website by completeness of profile (Not Ready, Almost Ready, Ready), by District;
- d) number of transitions from Not Ready to Almost Ready and the number of transitions from Almost Ready to Ready;
- e) number of pre-qualification questionnaires and contracts applied for by businesses based in East of England by District; and
- f) activities/events undertaken in accordance with the Supply Chain Principles and set out by the Supply Chain Work Plan by District.

SZC Co's supply chain activities in the context of local/regional plans and policies

The intention of providing the Supply Chain Work Plan is to allow stakeholders to plan wider activities that align with and maximise benefits beyond the Project and that relate to strategic long term legacy benefits of the Project including:

- a) recognition for the Project's regional role as an essential part of Suffolk's 'Energy Cluster' accelerating inward investment of Tier 1 Contractor and Tier 2 Contractor suppliers who may be working in multiple energy construction projects locally;
- b) opportunities for growth in existing and newly accredited nuclear related businesses associated with supporting the delivery of the Main Civils Construction Phase and MEH Phase;
- c) opportunities for growth in non-nuclear related businesses associated with supporting the delivery of the Project, for example local catering, leisure and retail companies, in order to provide benefits to the local economy and population as well as the nuclear supply chain;
- d) provision of inward investment and trade stimulation opportunities to ally with other existing programmes;
- e) research and development and innovation opportunities (such as work on hydrogen and linkages to the proposed freeport centred at the Port of Felixstowe and Harwich International Port, 'Freeport East');
- f) working across South West and East of England to assist with knowledge transfer from Hinkley Point C to the Project and to enhance best practice to drive efficiencies;
- g) legacy through companies new to the nuclear and energy supply chain taking opportunities for future growth in the UK new nuclear market as well as the wider global supply chain; and
- h) supporting the 'Nuclear Sector Deal' (published by the UK government in June 2018), the UK government's 'Energy White Paper: Powering our net zero future' (published December 2020), the 'Ten Point Plan for a Green Industrial Revolution' (published by the UK

government in November 2020) and 'Build Back Better' in delivering clean growth and achieving a net zero economy (published by the UK government March 2021).

4. Membership

The Supply Chain Working Group shall comprise:

- one representative of SZC Co;
- one representative of the Tier 1 Contractors;
- one representative of Suffolk County Council;
- one representative of East Suffolk Council;
- one representative of New Anglia Local Enterprise Partnership; and
- one representative of Suffolk Chamber of Commerce,

or such alternates as may be nominated by those representatives from time to time.

All members of the Supply Chain Working Group shall be provided with and entitled to use any information gained during the review in regional activities, to allow stakeholders the opportunity to plan wider activities that align with and maximise benefits beyond the Project.

5. Meetings and Quorum

- The Supply Chain Working Group shall meet no later than three months after the Commencement Date and shall meet at least once per year. As the Supply Chain Work Plans must be reviewed every six months, it is anticipated that meetings will also be held every six months unless otherwise agreed.
- Meetings of the Supply Chain Working Group shall be either virtual or in a convenient location in East Suffolk or Ipswich to be identified by SZC Co from time to time.
- The Supply Chain Working Group meetings shall be chaired alternately by Suffolk County Council and East Suffolk Council, with the first meeting to be chaired by Suffolk County Council.
- The Supply Chain Working Group meetings shall be quorate if at least three members (one of which is a member representing SZC Co, one of which is a member representing East Suffolk Council and one of which is a member representing Suffolk County Council) are present.
- The Supply Chain Working Group may agree to extend invitations to other bodies to attend meetings of the Supply Chain Working Group, where the Supply Chain Working Group agrees there is value in their attendance, including but not limited to, contractors and consortia within the supply chain and relevant representatives of other major construction and infrastructure projects in the region.
- SZC Co shall be responsible for the administration of convening and holding meetings of the Supply Chain Working Group.

6. Decision Making and Escalation

- The Supply Chain Working Group shall report to and refer any matter upon which the members are unable to agree unanimously to the Economic Review Group.
- In the event that any of the Quorate Members of the Supply Chain Working Group considers that a matter needs to be referred to the Economic Review Group for urgent resolution, it shall notify the members of the Economic Review Group accordingly to invoke the urgency process in Schedule 7, paragraph 2.12.8 of the Deed of Obligation.

7. Reporting

During the Construction Period, SZC Co shall prepare an updated Supply Chain Work Plan and provide such updated Supply Chain Work Plan to the Supply Chain Working Group every six months. SZC Co shall provide monitoring information at least annually. Section 3 above provides further detail.

8. Governance and Administration

- The Supply Chain Working Group shall make such terms of reference for its governance and administration as it considers appropriate at the first meeting of the Supply Chain Working Group.
- The Supply Chain Working Group may make such further administrative arrangements and terms of reference as it considers appropriate for the proper and efficient functioning of the Supply Chain Working Group from time to time, with such arrangements and terms of reference to be approved by the Economic Review Group.