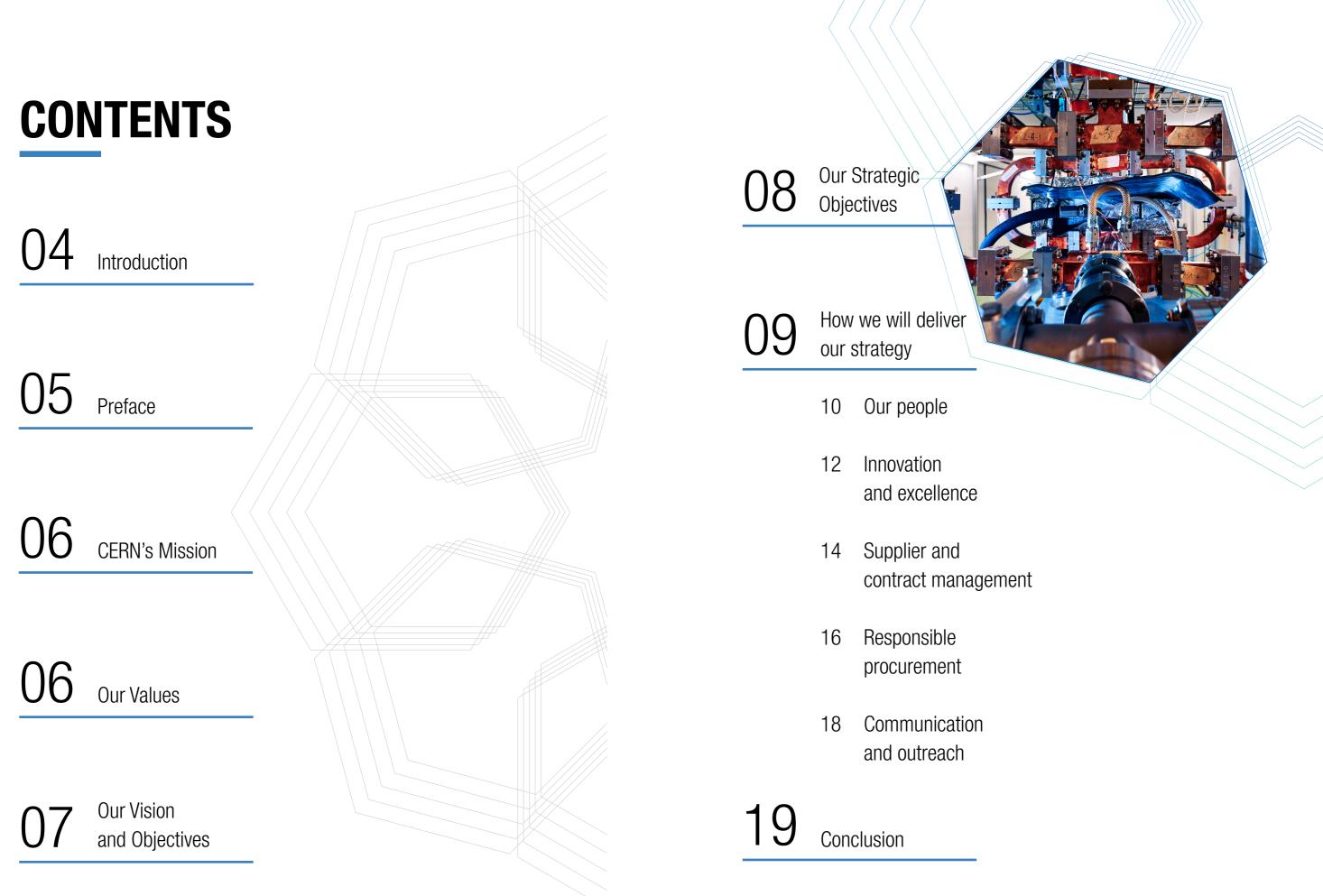


CERN's Procurement Strategy **2025-2030**





Procurement Strategy \mid 03

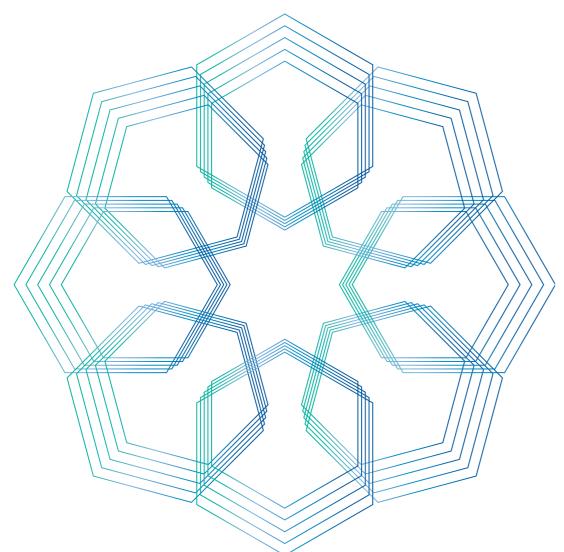
INTRODUCTION

This document sets out the CERN Procurement Service Strategy for 2025-2030. It is based on the views of the procurement team members and discussions with other key stakeholders. The journey of this document started with several workshops at which the participants defined the pillars of the strategy, the objectives for the coming years and the actions needed to achieve them.

This document defines the Procurement Service's mission as being a trusted partner for all its stakeholders, as well as describing three strategic objectives, what needs to be done in order to achieve them and how.

Moving forward, based on the principles laid down in this document, a corresponding set of policies covering supplier and contract management, sourcing and communication will be developed. Finally, our procedures will be adapted to enable us to achieve our vision and objectives.

This strategy will be reviewed over the next five years in order to incorporate the updated vision and objectives that the new management will define for the Organization from 2026 onwards.



PREFACE BY **Christopher Hartley** (Head of Industry, Procurement & Knowledge Transfer)

With over 550 million Swiss francs spent each year on goods, services and infrastructure projects, the Procurement Service plays an integral role in supporting the delivery of CERN's strategic objectives and day-to-day operations.

The Procurement Service has a proven track record of providing procurement and commercial support across all CERN departments. From setting the procurement strategy to sourcing and contract management, the Procurement Service strives to be a trusted partner for our internal stakeholders whilst delivering value to the Organization as a whole.

The Procurement Service is a key interlocutor with external stakeholders. CERN cannot deliver its world-leading projects without a strong relationship with industrial suppliers, and the Procurement Service is at the forefront of that relationship. Moreover, the interaction with the Member States' industrial bodies, channelled via the Industrial Liaison Officers (ILOs), is of vital importance as CERN endeavours to achieve its industrial return commitments. In this context, the Procurement Service is responsible for ensuring the best prices and quality, whilst distributing work across the Member and Associate Member States.

Looking to the future, the groundwork needs to be laid out for the procurement of the next major project for CERN, the Future Circular Collider (FCC). The strong track record and experience of the Procurement Service and the recently modified Procurement Rules provide a solid foundation to build upon, but it is clear that future expectations and market conditions will require a thorough reappraisal of the procurement approach. Indeed, this is a neverending process, with past success being the basis for driving forward with excellence and innovation.

CERN'S MISSION

The Procurement Service's strategy has been developed to support CERN's strategic objectives and mission, namely:

- To deliver world-class scientific results and knowledge
- To strengthen CERN's impact on society
- To increase the return to the Member and Associate Member States.

As CERN's mission and objectives evolve, this strategy will evolve to support the aims and needs of the Organization.

OUR VALUES

Our PROCURE values will inform and guide our decisions and focus our activities to ensure that we continuously deliver value to our stakeholders. These values are the following:

PROfessionalism - a positive, professional, problem-solving approach focused on adding value for our stakeholders and for the Organization as a whole.

Creativity - teams that think outside the box to solve complex challenges and that are open to alternative perspectives and new ideas.

Unity - working together as a team and supporting each other through open dialogue and communication.

REspect - treating our teams, stakeholders and suppliers fairly and courteously.

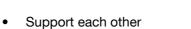
These values, and our actions that derive from them, are embedded in our strategy and are necessary to achieve our mission.

PROCURE

REspect

REspect

- Your colleagues,
- Your clients,
- Your contractors



- Work in the interest of the team
- Help young professionals ٠ to grow
- Share your experience •

Unity

OUR VISION AND OBJECTIVES

Our vision is to be a first-class, innovative and trusted procurement partner delivering best value for the Organization and its stakeholders.

Procurement Values



OUR STRATEGIC Objectives

To implement this vision, we will strive to achieve the following objectives, which are derived from the CERN Strategic Objectives since the Procurement Service contributes to the fulfilment of all three of them:

Deliver a best-in-class Procurement Service

The Procurement Service supports the Organization by delivering efficient value-added services to meet the requirements of the end users whilst ensuring compliance with our Procurement Rules and the principles set out in them —ultimately achieving value for the Organization as a whole.

Promote fair competition and better-balanced industrial return to the Member and Associate Member States

The Organization relies on our suppliers not only to support its operational activities but also to engage in new research and development in order to push the boundaries of scientific knowledge. The Procurement Service plays an integral role in ensuring that we achieve commercial and contractual conditions that are in the interests of the Organization whilst respecting our responsibility towards our suppliers.

The Procurement Service recognises the importance of achieving the Organization's objective of improving industrial returns for our Member and Associate Member States whilst ensuring that CERN's resources are used in the most advantageous way. The Procurement Service will continue to achieve both aims by developing suitable policies and sourcing strategies.

Support the Organization in its sustainability objectives and initiatives

Building on our recently published Environmentally Responsible Procurement Policy, we will continue to embed its principles in our procurement practices and ensure that they are embedded in the activities of the wider CERN community in order to support the achievement of the Organization's existing environmental objectives and future sustainability goals.

These objectives will continue to be underpinned by our diverse and talented team supporting the procurement needs of the Organization.

Complementing our three strategic objectives, the Procurement Rules aim:

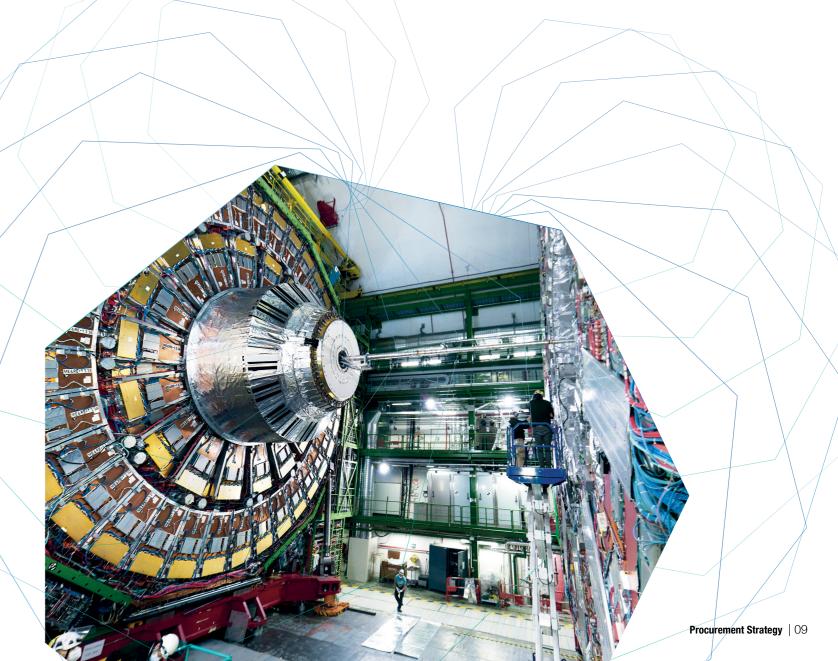
- to guarantee that contracts meet all of CERN's technical, financial, environmental and delivery requirements;
- to keep overall costs for CERN as low as possible and to ensure the most advantageous use of CERN's resources;
- to achieve a good balance on industrial return for the Member and Associate Member States by setting out and executing appropriate procedures such as limited tendering, alignment and splitting.

CERN performs tendering procedures and awards contracts in compliance with the principles of transparency and impartiality.

These objectives, and the targets set out in this document, will form part of our annual planning of key initiatives.

HOW WE WILL DELIVER OUR STRATEGY

In order to achieve our objectives and become a best-in-class Procurement Service for the Organization, we have developed five key pillars.





OUR PEOPLE

WHY THIS IS IMPORTANT:

Having a diverse, knowledgeable and experienced team is the underpinning foundation required to guarantee a best-in-class Procurement Service equipped to defend CERN's interests. We ensure that all procurement activities comply with CERN's rules, regulations and ethical standards and protect the Organization from contractual and reputational risks. The Procurement team optimises the overall cost for the Organization by negotiating contracts that are geared towards efficient use of CERN's resources without compromising on quality or delivery schedule.

By structuring the team by procurement categories or disciplines, we enable our procurement officers and section leaders to be specialists in their domains and thereby better support our technical teams and improve interactions with industry. The team's adaptability and organisational structure result in a service that can evolve with market changes and challenges while ensuring continuity of support for the Organization's mission and objectives.

Finally, at CERN we expect high performance from our personnel and a capacity to learn and develop new skills. We therefore aim to foster a culture of open dialogue, a problem-solving mentality and a positive work environment where we see problems as learning opportunities.

WHAT WE WILL DO AND CONTINUE TO STRENGTHEN:

- Invest in regular training programmes to keep the procurement team up to date with the latest industry trends, technologies and best practices.
- Coach and mentor our junior staff to help them navigate CERN's ways • of working.
- Share best practices internally and externally. •
- Benchmark our practices against recognised experts. •
- Develop and launch a periodic employee engagement survey with the support of HR. •
- Establish a talent management policy and a succession plan.
- Monitor workload and anticipate resource requirements. •





HOW THIS WILL IMPACT OUR STAKEHOLDERS:

Internal stakeholders will have a trusted procurement partner to support them in delivering on their procurement needs and activities.

For our supply chain, firms can expect a knowledgeable commercial partner that treats them in a professional, fair and transparent way.

Our Member States will be able to rely upon an experienced and innovative team to support them and that is equipped to respond to the Organization's future needs (e.g. FCC).

HOW SUCCESS WILL BE MEASURED:

KPIs:

- Partially funded academic training programmes will be offered to all our junior team members.
- . members
- engaged and aligned with the objectives and direction defined by the Group.

At least six annual training sessions covering different areas will be provided for all team

The periodic employee engagement survey reveals that at least 80% of the team feel



INNOVATION AND EXCELLENCE

WHY THIS IS IMPORTANT:

The procurement processes at CERN are well established and embedded in its culture. However, our team recognises the need to remain agile and flexible as needs arise and evolve. By taking a service-delivery approach based on innovation and excellence, we ensure the best use of our resources, in terms of both budget and personnel, whilst providing a professional and responsive service.

We aim to be proactive and to have a framework of innovative solutions that meet the technical needs of the procurement team whilst respecting overall compliance with the Procurement Rules. At the same time, we commit to continuously improving our service where opportunities to be more efficient or impactful are identified.

Under this pillar we also seek to provide an efficient, value-adding service through the use of high-quality processes and data management systems.

WHAT WE WILL DO AND CONTINUE TO STRENGTHEN:

- Drive digitalisation through a new e-procurement system and supplier portal that make it easier for firms to register their interest and bid for current opportunities through a more user-friendly interface.
- Adopt advanced procurement tools that harness the power of AI and are integrated with our new e-procurement system, analytics reports and other technologies that streamline our processes.
- · Carry out regular reviews of our processes and procedures against industry best practices.
- Develop policies, including for sourcing, sustainable procurement, contract management, supplier management and communication, which will guide procurement activities across the Organization.
- Continue to publish the annual procurement report covering the key activities and ٠ achievements of the Procurement Service and highlighting value-adding activities. Maintain an up-to-date Internal Control System (ICS).
- Conduct a customer satisfaction survey to monitor stakeholders' satisfaction and • feedback about the service.

HOW THIS WILL IMPACT OUR STAKEHOLDERS:

For our suppliers this means suitable and modernised digital platforms that enable them to stay up to date with procurement opportunities through an easy-to-use e-procurement platform.

ILOs can expect a transparent process, robust information and comprehensive reporting.

HOW SUCCESS WILL BE MEASURED:

- Customer satisfaction survey with at least 80% of respondents reporting that they are . satisfied or very satisfied (above 80% of users rating the service as good or excellent). Savings across a variety of value-added metrics to be defined and reported on annually, with the objective of achieving savings of a value that is at least twice the annual
 - operating cost of the Procurement Service. 85% of orders to be approved within five working days.

- Internal stakeholders can expect an efficient, reliable service that is proactive and adds value.



SUPPLIER AND CONTRACT MANAGEMENT

WHY THIS IS IMPORTANT:

With contracts of a total value corresponding to approximately 40% of the CERN annual budget placed with external suppliers, our suppliers are an integral part of CERN's operation and the delivery of its mission. However, outsourcing inherently creates risks that must be identified, understood and appropriately managed. Through effective management of our contracts and suppliers, we mitigate such risks through early identification of risks and by actioning measures at the earliest opportunity.

By fostering a relationship with our suppliers that is based on fairness and trust, we provide long-term security for CERN's needs and increase supplier performance and innovation.

When industry and CERN work together we create opportunities and open up new possibilities. Better managed supply chains, which take into account innovation, sustainability and security of supply, will lead to better outcomes for the Organization.

WHAT WE WILL DO AND CONTINUE TO STRENGTHEN:

- Develop targeted sourcing strategies for poorly balanced Member and Associate Member States and promote the use of limited tendering procedures.
- Dialogue with ILOs and suppliers.
- Identify and classify strategic suppliers and contracts.
- Develop and implement a risk-based policy for contract management. ٠
- Develop and maintain tailored contract management plans for strategic suppliers and contracts.
- Monitor the annual performance of suppliers and contracts identified as strategic.
- Carry out a lessons-learnt exercise for contracts identified as strategic.
- Maintain an up-to-date supplier database.



Internal stakeholders can expect an easy-to-use supplier database that makes it easy to identify firms capable of delivering their requirements, along with risk management plans for their strategic contracts and suppliers.

External stakeholders, such as current and prospective firms, can expect an engaged commercial partner eager to work with them and find solutions to further CERN's mission.

Our Member and Associate Member States can expect dedicated category-led engagement sessions to foster new collaboration opportunities and develop new supplier relationships aligned with the capabilities of their respective industries.

HOW SUCCESS WILL BE MEASURED:

tendering procedure.

- The target is for at least 20 limited tendering procedures to be carried out annually.
- bespoke risk and contract management plans. The target is a 20% reduction by 2028 of the number of 'no reply' responses following a

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100% of contracts identified as strategic will be the subject of a risk assessment and of



RESPONSIBLE PROCUREMENT

WHY THIS IS IMPORTANT:

Responsible procurement means that purchase decisions should not only meet the needs of CERN but should also take the broader impact of procurement on society, the environment and economy into account. These responsible procurement principles are well aligned with CERN's wider aim of strengthening its impact on society. The Environmentally Responsible Procurement policy was launched in 2023, but more work is needed to embed it into the CERN culture and to expand our responsible procurement activities across all procurement processes.

As a prominent intergovernmental organisation, CERN must take a leading role in developing and implementing responsible procurement practices. Our stakeholders, both Member and Associate Member States and members of the public, are attentive to our wider impact and consider it when assessing our future projects and collaborations.

WHAT WE WILL DO AND CONTINUE TO STRENGTHEN:

- Launch a Supplier Code of Conduct, which sets out what we expect of our suppliers regarding environmental, social and governance (ESG) practices.
- Implement an ESG assessment process for key suppliers.
- Incorporate ESG criteria in the procurement procedures. •
- Map CERN's top emitting suppliers' sustainability maturity level and engage with these suppliers to develop initiatives to reduce the environmental impact of the products and services we buy.
- Support the Organization in the calculation of scope 3 emissions.
- · Organise workshops and train our stakeholders in sustainable procurement.

HOW THIS WILL IMPACT OUR STAKEHOLDERS:

Internal stakeholders can expect access to tools that assess the environmental impact of their purchases, as well as the implementation of strategies to ensure more environmentally friendly contracts. They will also have access to training material to develop their skills in the field.

Our suppliers can expect CERN to launch the Supplier Code of Conduct, which sets out the standards of behaviour and practices to be implemented.



They can also expect CERN to embed sustainability in its tendering procedures, as appropriate, and to be offered opportunities to collaborate in improving CERN's impact on the environment.

Our Member and Associate Member States can expect insightful reports on the environmental impact of our contracts.

HOW SUCCESS WILL BE MEASURED:

- A minimum of 50 suppliers will be assessed for their sustainability performance each year.
- spends year on year.
- Training material will be developed, including at least two sustainable procurement . workshops per year for internal stakeholders.

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25 out of the top-emitting suppliers will report on scope 3 emissions of their activities for CERN by the end of 2025, the aim being to increase our coverage of suppliers across all

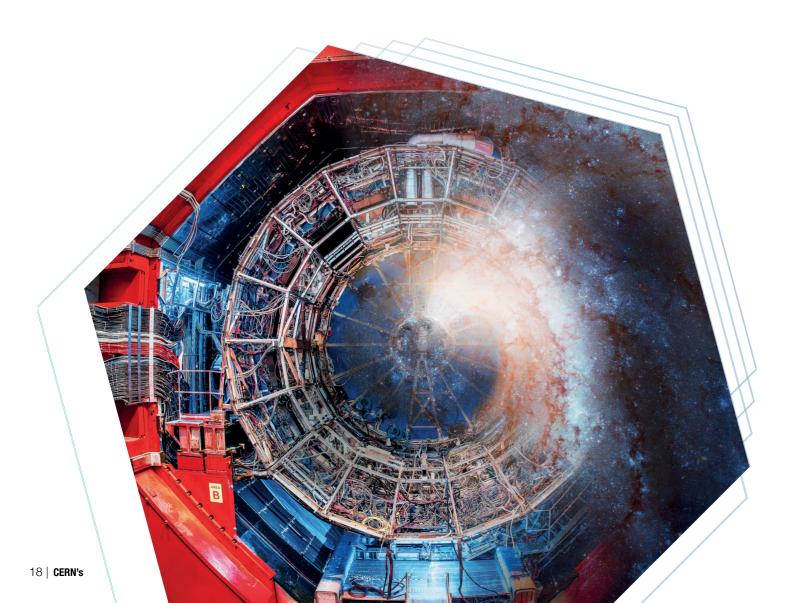


COMMUNICATION AND OUTREACH

WHY THIS IS IMPORTANT:

Transparency is a key principle that guides our actions and forms the basis of the regular, informative communication that is needed to ensure trust in our activities. This regular communication helps to build strong relationships with our stakeholders and increase the understanding of our procurement processes and policies within our technical teams. External communication with firms aims to raise and maintain CERN's profile within industry, increase rates of participation in our procurement procedures and enhance competitivity.

Communication and outreach are fundamental tools to help us to deliver our commitments to responsible procurement and sustainability. Effective communication demonstrating achievements will further incentivise and attract suppliers and personnel to work with CERN.



WHAT WE WILL DO AND CONTINUE TO STRENGTHEN:

- Take outreach initiatives to engage with the supply chain through a diverse mix of industrial events.
- forthcoming needs and opportunities.
- Continue to provide procurement training for technical teams.
- Conduct regular surveys and report on CERN's impact via procurement.

HOW THIS WILL IMPACT OUR STAKEHOLDERS:

For potential suppliers, we will continue to announce forthcoming opportunities on our webpage, on social media and with the ILOs to ensure equal access for all potential bidders. Communication with industry and potential suppliers increases the visibility of exciting opportunities at CERN. With the support of the ILOs, we will strengthen our industry outreach efforts to attract new suppliers.

For our internal stakeholders, we will continue to encourage early-stage involvement in procurement initiatives and priorities through regular meetings in order to ensure that our procurement needs are communicated well in advance and thus allow appropriate planning and resource allocation.

HOW SUCCESS WILL BE MEASURED:

- the number year on year.
- A minimum of two industry webinar events per year.
- professionals from similar organisations.

CONCLUSION

This strategy can be delivered only with the support of our internal and external stakeholders. To ensure its effective implementation, we will develop a detailed programme of projects. These projects, which will run over the term of this strategy, will be presented to our stakeholders as and when they are developed. When the Organization's updated vision and objectives are approved, this strategy will be reviewed to ensure that it remains aligned with them.

Use social media to increase the visibility of CERN's procurement activities and promote

Obtain at least 3000 followers on LinkedIn by the end of 2025, with the aim of increasing

Organise periodic procurement conferences at CERN for relevant procurement



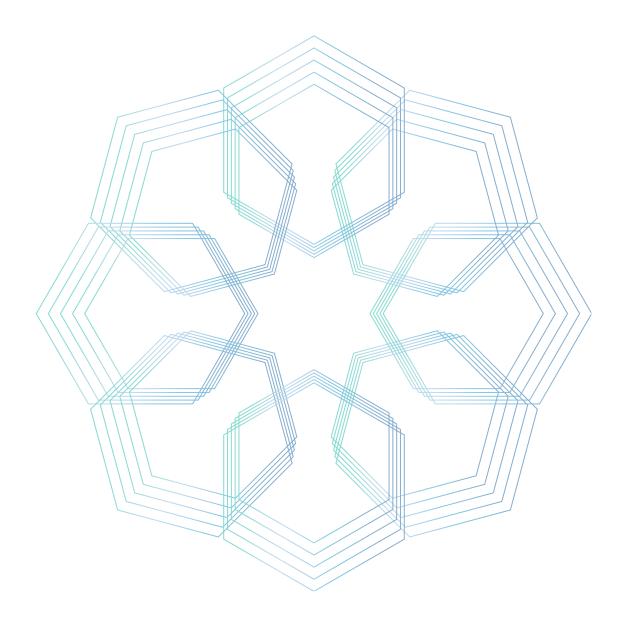


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CERN CH-1211 Geneva, Switzerland

Industry, Procurement and Knowledge Transfer Department CERN-Brochure-2025-001-Eng January 2025

Brochure available: https://cds.cern.ch/record/2922607

