A.13.3 SCDS Outlook

Magnora Offshore Wind (MOW)'s foremost object is to ensure a competitive supply chain capable of delivering on the **Commitment** set forth in this application, which is inseparable from the integrated approach defined to deliver a successful Project. This means maximizing the use of Scottish and UK suppliers in close proximity to the development sites onshore and offshore through all stages of the development. The **Ambition** confirms MOW's commitment to this approach and reflects the capabilites and opportunites for Scottish and UK suppliers through all tiers. The Supply Chain Development Statement (SCDS) also considers and incorporates the strategies, vision and goals of the UK Offshore Wind Sector Deal and the Scottish Offshore Wind Energy Council.

Both the commitment and ambition is derived from extensive supply chain engament leading up to this application. With a maturing concept, installation and operations philosophy, the supply chain management team is already progressing how we can optimize flow of material, resources and assets. This will continuously be worked towards the SCDS ambition and updated no later than one year after signing the option agreement and thereafter, not less than every three years.

The commitment of expenditure is found in Table 4, and the ambition is found in Table 5 .

Competitive environment
MOW seeks to maximise opportunities for UK suppliers, and Scottish suppliers in particular, in all stages of development to secure basis for the overall project strategy of a closly integrated project as this is seen as key to project success (ref C.1.2 Key Steps). The aspirational target is to meet the Sector Deal target of 60% UK content over the lifetime of the Project.

MOW believes that competition fosters innovation and development contributing to reducing the cost of energy. As a default MOW will competitively tender all major packages providing opportunities for existing and new suppliers. MOW will engage all Tier 1 suppliers in committing to a supply chain plan supporting the overall target of 60% UK content and maximising Scottish content. This will be done within the framework of MOW's Sourcing and Procurement policy:

- Developing the supply chain able to sustain the business in the long term, and delivering consistent global performance in all aspects of Safety, Quality, Ethics, Delivery and Cost;
- Operating Sourcing and Procurement activities in compliance with MOW's core values;
- Conducting Sourcing and Procurement activities with confidentiality and information protection in relation to any stakeholders.

The Project will provide fair and equal opportunities for all suppliers. This is proven through MOW's strong track record of developing major projects around the world expanding incumbent supplier capabilities and developing new suppliers within a given sector. This is evidenced by the fact that over the last two years UK suppliers have exported goods and services around the world to Magnora Offshore Wind partner TechnipFMC for several hundred million pounds annually. Opportunities for existing and new suppliers will be explored through sharing know-how, developing multi-tier supply chains and guiding prospective suppliers. The full depth of MOW's supply chain team is available to ensure requirements are understood and appropriate measures are taken. This shall be managed to ensure safe production, the required quality, delivering on time and meeting the cost targets. The Project will continue to work with regional/local clusters (such as DeepWind - of which TechnipFMC is a member), working groups and industry bodies to ensure the full range of opportunities and requirements are available to the broadest possible supply base. These meeting points are also important to ensure requirements for providing a competitive offering are understood and to share progress and updates throughout the development.

People, skills and diversity
MOW plans to hold several interactive sessions providing full visibility of opportunities for a wide range of local, regional and national suppliers. From experience this is an excellent forum matching scope with suppliers and gaining insight into supplier lead solutions and ideas. This will also be an opportunity for multi-tier suppliers involved in the development to come together and explore collaboration across offerings.

The Project will create a dedicated role in the development phase to engage with suppliers and stakeholders to ensure implementation of the commitment set out in this application. After successful application this role will continue to develop the SCDS to further increase the Scottish and Rest of UK content. The Project will also interact with key industry & supply chain groups like Scottish Renewables & Renewable UK, whilst playing a proactive role in understanding and supporting organisations that have the desire to become a supplier to the Project.

MOW will establish a dedicated website & contact person for suppliers to explore opportunities and connect with the Project throughout all stages of development.

A local liaison officer at Stornoway will be considered, in relations to also further integrate with Stornoway Yard as commitment partners to the Project, to ensure the skills development and transfer is well structured in support of a sustainable activity level benefiting not only this Project.

Development, Technology and Innovation

With a proven track record of innovation and technology breakthroughs MOW is already exploring novel concepts with an aim to reducing both the development and operation expenditure in turn reducing the cost of energy.

With suppliers encouraged to promote new ideas and innovations the Project aims to match these initiatives with MOW's highly competent, skilled and experienced technical teams to explore implementation as part of this development. This collaboration will not only benefit this Project but also be a potential springboard for suppliers to build unique capabilities aimed at export. Here MOW has another strong track record in partnership collaboration with suppliers to drive real innovation and growth as demonstrated by the export figures shown above.