

Supply Chain Security Considerations

CONTRACTS



Your supply chain exposes your business to damaging security threats. Through security clauses in contracts, you can establish and enforce the security practices you expect from your suppliers. Below are some questions you can use as you develop security clauses. These fall into four categories: security standards, notifications, reviews and termination. Always seek independent legal advice for your specific requirements.

Consider the following questions when developing security clauses within your contracts. Seek independent legal advice for your specific requirements.

1

Standards

Have you outlined the security standards you expect and the expected delivery deadlines for improvements where a supplier's current security profile does not meet required standards?

Have you excluded security from any force majeure clause to prevent the supplier relinquishing security responsibilities following an extraordinary event?

2

Notifications

Have you obligated timely notification of:

Any change to security standards to those expressed in response to the supplier assurance questions, with a provision for termination of the contract in the event of unacceptable security measures?

Organisational or environmental changes with implications on the security of the service provided?

Offshoring of storage, process, or access to your assets (including data), with a provision for termination of the contract in the event of offshoring?

Any change of ownership or investment which provides a new entity with material influence over the supplier's business, with a provision for termination of the contract in the event of change of ownership or influence?

Any sub-contractors who might have access to your assets, with a provision to restrict the sub-contractor's access to your assets if requested?

Any security breach or newly identified security vulnerability? Have you agreed an incident management process with:

- a specified timescale for reporting breaches to you
- a thorough investigation of any breach
- timely corrective action to address identified vulnerabilities



For more details on the security standards you should expect, see [Supply Chain Security Considerations: Supplier Assurance Questions](http://www.cpni.gov.uk/protected-procurement-practitioners) available at www.cpni.gov.uk/protected-procurement-practitioners

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Reviews

Have you mandated an independent review and corrective action following any breach in a key security performance indicator?

Have you specified the right to audit the supplier's security stance on a regular basis, and following any security incident, breach, or significant change in operation or contract?

Do you require evidence of compliance with contractual controls?

4

Termination

Have you outlined the following within termination clauses:

- the assets to be recovered
- protective measures to be undertaken
- an agreed resolution mechanism for any disputes



For more information and advice on supply chain security, visit www.cpni.gov.uk/protected-procurement