

# Sustainable Procurement Policy

## Introduction

Our ambition is to transform the way we do business and provide a sustainable legacy as a result of our operations. We have set targets across the business around being leaders through business practices that save natural resources, save money and that are good for the community and reduce impact on the environment.

Our Sustainable Procurement Policy, when linked to our Supplier Code of Conduct and Environment Policy, presents a robust approach to procuring goods and services sustainably and works towards delivering sustainability throughout the lifecycle of the contract. We are committed to embedding sustainability into the decision making at tendering, sourcing processes and throughout contract management in order to create value, preserve natural resources and respect the interest of our communities.

We strongly encourage supplier innovation and sharing of ideas, new products and co-develop ways to address sustainability issues. We expect suppliers to have an understanding of how their activities impact their local area and wider community, and we encourage them to make positive contributions and investments, for example by providing appropriate local employment opportunities, workforce volunteering and charity activities. We expect our suppliers to minimise disruption to communities.

## Principles

Our Sustainable Procurement Policy is grounded on the premise that all supply chain management decisions should be made in consideration of three elements;

- Environmental
- Social
- Economic

It is our intent that our suppliers will also make their own supply chain decisions this way.

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**Environmental** - Our Environment Policy clearly states our environmental ambitions.

Environmental performance can be measured and we take strides to do so. Reducing air emissions, water and land impacts as well as waste reductions are important to us.

Our supply chain is fundamental to helping us achieve our targets and deliver on commitments. In addition we see progress being made in the area of protecting biodiversity and encourage our suppliers to grow in this space as well.

**Social** - We expect our suppliers to act in accordance with the highest ethical standards and to comply with all relevant laws, regulations and licences when working for us. We believe that suppliers and the supply chain are an important and integral part of helping create a more socially and environmentally responsible supply chain. This also includes complying with the United Nations Global Compact.

**Economic** - We believe that sustainable business is good business and that considering environmental and social factors in decision-making and contract management leads to risk reduction and improved financial performance over the lifetime of projects and services. Suppliers are expected to remain competitive during the tendering process while fulfilling their commitment to this policy. Where these commitments bring additional cost, these costs shall be clearly separated as optional extras and a rationale provided if increased initial costs will lead to lower life cycle costs.

## **Specific Considerations for the Supply Chain**

We encourage all of our suppliers to be innovative and creative in both addressing our tenders, delivering the contract and in conducting their own business. We encourage innovation and creative solutions in the following areas where applicable, relevant and appropriate.

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## **Biodiversity**

Suppliers should:-

- Identify, measure and manage the impact of their activities in order to mitigate the risk of any damage to ecosystems and habitats in order to protect biodiversity
- Propose innovative or creative approaches to enhance habitats, biodiversity and the community benefit this brings through the goods and services provided

## **Energy Efficiency**

Suppliers should:-

- Track energy usage and sources in relation to the operations of their manufacturing, facilities and operations
- Provide energy efficiency strategies upon request

## **Greenhouse Gas Emissions (GHG)**

Suppliers should be proactive in:-

- Monitoring, reporting and publicly disclosing their GHG emissions through a globally recognised programme
- Taking steps to reduce their GHG emissions across the lifecycle of projects and services

## **Logistics, Travel and Transportation**

Transportation, travel distances, fuel consumption and environmental impact for all products and services supplied to us will be minimised by techniques such as route optimisation, shared vehicles, use of energy efficient transportation methods and alternative fuel technologies. We encourage meetings to be held via video conferencing or other electronic solutions where possible.

## **Material Usage**

From the design phase onwards suppliers should aim to minimise usage of finite materials and consider recoverability of materials from products at end of life where possible.

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## Packaging

Suppliers should:-

- Minimise the packaging of all goods supplied to us, while still providing the required level of protection
- Use re-usable packaging rather than disposable packaging
- Ensure the wood for wood packaging comes from a certified sustainable source

## Timber / Wood Products

Where products containing wood are provided to us, suppliers should provide certification proving the wood has been obtained from a certified sustainable source.

## Waste Management

- Waste shall be kept to a minimum and designed out where possible
- Suppliers should implement a suitable waste management process and aim for zero waste to landfill

## Water

Suppliers should manage water related risks (including current and future water stress), particularly the impact of their operations and activities on water availability and quality wherever they occur and put in place plans to minimise any impacts.

*Our suppliers shall ensure they comply with this Policy along with our Supplier Code of Conduct and we may, at any point, request information or evidence from suppliers to ensure compliance. If a supplier is found to be in breach of either document we will take additional action to ensure its supply chain acts in a sustainable manner. This may where appropriate result in joint development plans or action plans being issued, contractual penalties or, in extreme cases, early termination of contracts.*