



Sustainability & Procurement Policy

Statement of intent:

Although the environment is our primary concern there is also a social dimension to our work, through our relationships with suppliers and the local communities in which we operate. We are therefore committed to understanding and managing the environmental and social impacts of our operations, including the procurement of goods and services.

Ensuring sustainability is embedded across every function, including procurement, is essential to our goal of making a sustainable contribution to society. This policy explains how Wales Environmental Ltd will integrate environmental and social considerations into its procurement policies and practices.

We recognise that improving our procurement performance is an ongoing process and that our suppliers, both large and small, are important partners in our journey to become more sustainable.

Our aims and objectives are to:

- Minimise our environmental impact and deliver community benefits through better selection and improved usage of products and services;
- Foster innovation in our supply markets to increase the availability and effectiveness of sustainable solutions that meet our organisational requirements;
- Encourage our suppliers to adopt practices that minimise their environmental impact and deliver community benefits in relation to their own operations and throughout the supply chains in which they operate;
- Work in partnership with suppliers to achieve our common goals and continually improve performance over time.
- Support Wales Environmental Ltd's Strategic Direction and other relevant sustainability policies.

Specific targets:

The UK government has identified climate change as a key policy priority in order that future generations are able to enjoy their natural environment. To realise this goal, the government has mandated several procurement policies which Wales Environmental Ltd, as a public sector organisation, is obliged to adopt. As a result, Wales Environmental Ltd will, in its purchasing decisions, give preference to:

1. Any product which meets the specifications listed in the governmental Quick Wins List 2007.
2. Any product, service or supplier which can support the following objectives:
A reduction in Wales Environmental Ltd's carbon emissions by 20% by 2018, relative to 2005/6 levels.¹



An increase in Wales Environmental Ltd's energy efficiency p/m² by 15% by 30% by 2020, relative to 1999/2000 levels.

The reduction of Wales Environmental Ltd's waste arisings by 25% by 2020, relative to 2005/6 levels.

An increase in Wales Environmental Ltd's recycling figures to 75% by 2020 of their waste arisings relative to 2005/6 levels.

A reduction in water consumption by 25% on Wales Environmental Ltd's estate by 2020, relative to 2005/6 levels.

As the contracting organisation, we expect our suppliers to ensure their practices are supportive of our approach. We expect to purchase goods and services that have been produced or are delivered with minimum impact on the environment and with due regard for social issues such as employment conditions and welfare. As a result, Wales Environmental Ltd reserves the right to refuse partnerships with organisations that do not achieve (or are unable to provide evidence of an action plan to address) the following minimum standards for their operations, employees and supply chain, in accordance with International Labour Organisation (ILO) conventions and other public sector commitments.

Working Conditions

- Freedom of Associative and Collective Bargaining.

As far as any relevant laws allow, all employees are free to form or join a Union, which pertains to the protection of the terms conditions of the employment of employees, such as wages, hours of work, working conditions and grievance procedures.

- Elimination of Forced and Compulsory Labour.

Forced, bonded or compulsory labour is not used and employees are free to leave their employment after reasonable notice. Employees are not required to lodge deposits of money or identity papers with their employer.

- Elimination of Discrimination in Respect of Employment and Occupation.

Discrimination based on factors non-relevant to the terms of employment is prohibited.

Examples of non-relevant attributes include race, religion, gender, sexual orientation, disability, ethnicity, height, weight and age.

- **Abolition of Child Labour.**

Work undertaken by people of 16 years or under without consideration for their personal development, safety, education or health is prohibited. This will be supported by policies and programmes, which promote the development of any employed child. Placing children in employment deemed to be hazardous (in accordance with ILO definitions) shall not be tolerated.

- **Supplier Diversity.**

It is Wales Environmental Ltd's policy to encourage a diverse range of suppliers to tender to provide services, materials or expertise and our aim is to give equal opportunities to suppliers owned by under-represented groups. This enables Wales Environmental Ltd to contribute to increased social



inclusion, whilst tapping into alternative sources to define the needs of the countryside and the aspirations of currently under-represented groups.

• **Environment.**

Processes are in place to actively improve the efficiency with which finite resources (such as energy, water, raw materials) are used and the release of harmful emissions to the environment associated with manufacture, use and end-of-life product management are minimised.

• **Wales Environmental Ltd's Working Principles:**

Our main focus will be on supply markets which have the largest environmental/social impacts by virtue of the size of our expenditure (i.e. top 10) and/or sustainability risks (i.e. specific and identifiable environment and/or social impacts regardless of size of expenditure);

- We will ensure all key procurement decisions and actions are considered and determined by a cross-functional team of in-house specialists to ensure the most sustainable outcomes are achieved;
- Appropriate environmental and social requirements will be integrated into all procurement activities, e.g. pre-qualification, specification and evaluation stage.
- As far as possible, all tenders will be evaluated to take into account the environmental and/or social impacts of a particular product or service over its whole-life cycle, and appropriate supplier sustainability performance assessment criteria and weightings will be used.
- We will adopt a pragmatic approach to encouraging and influencing our suppliers to improve their sustainability practice;
- Whilst this policy applies to all Wales Environmental Ltd suppliers, we will strive to ensure that it does not place unnecessary and over burdensome requirements on small to medium enterprises (SME), putting them at a disadvantage in doing business with us.
- As required, we will establish performance agreements with our key strategic suppliers, monitor their progress over time, and provide them with regular and constructive feedback.
- As far as possible, we will conduct our procurement activities to support and deliver community benefits (e.g. recruitment of the long-term unemployed, skills development), and will work in partnership with other organisations to achieve this.

Accountability.

- All Wales Environmental Ltd offices and relevant members of staff have shared responsibility for integrating the provisions of this policy into their decision-making.
- In recognition of the need to support Wales Environmental Ltd offices and their staff in their decision making, the central procurement team (based in Cardiff) is charged with the overall accountability for developing a coordinated and integrated approach to implementing this policy across the whole of Wales Environmental Ltd.
- We will review this policy and associated procedures on an annual basis and involve our suppliers in this process;



- We will verify, using external assessors, our performance against this policy whenever possible.
- We will monitor and report where appropriate the environmental and social outcomes achieved from the application of our policy across our operations; and
- We will report on our progress in implementing this policy to the management board, the Board of Directors and publicly to our key stakeholders on an annual basis.

Signed: *Llyr Williams*

Date: 03/01/2017.

Llyr Williams,

Managing Director.