

Sustainable Procurement Policy

1.1 Overall Aim

EngMek Ltd is committed to ensuring the goods and services it purchases:

- are manufactured, delivered, used and disposed of in an environmentally and socially responsible manner and
- deliver long term value for money for the organisation and its customers and
- are energy effective and in terms reduce consumption and use.

We will update our corporate objectives to include sustainability and consult with key stakeholders to develop this sustainable procurement policy in conjunction with the organisations management system.

1.2 Key sustainability objectives

Buying more sustainably offers potential whole life cost savings, supports our commitment to effective energy usage and meets the requirements of our management system, safeguards our reputation as a responsible organisation and protects the health of staff, customers and the public at large.

The key objectives addressed by this policy are:

- Reducing fossil fuel usage to minimise climate change
- Reducing energy consumption
- Reducing usage of hazardous materials
- Reducing waste
- Improving public health and quality of life
- Ensuring fair pay and working conditions throughout our Supply Chain
- Protecting biodiversity
- Complying with current and anticipating future legislation

The organisation will define measures in its management system relating to each of these objectives.

1.3 Scope- This policy applies to all purchasing activities within EngMek.

1.4 Key Policy Principles

1.4.1 Spend Analysis and Prioritisation

To support its spend analysis and work planning, we will establish a process to assess the following criteria at sub-category level:

- Level of spend
- Level of contract renewal activity
- Key suppliers by type and location (Multinational, National, SME, Social Enterprise / Overseas, Ireland, Regional, Local)
- Level of risk against each sustainability objective
- Scope for improvement
- Level of influence

This will be used to prioritise sub-categories for sustainability improvement activities.

1.4.2 Demand Review

Prior to any purchase, buyers will review the aggregate requirement to minimise volume, scale, costs and environmental impact.

Buyers will establish that:

- there is a genuine operational need for the purchase,
- all cost effective opportunities for products to be shared, upgraded, refurbished, leased or delivered as a service have been exploited,
- the product will be used efficiently, minimising waste
- Energy consuming products are the most effective in terms of cost and consumption.

1.4.3 Sustainability Review

Prior to any purchase process, buyers will review the purchase against the key sustainability objectives listed above. Where relevant, buyers will identify actions to reduce impacts through supplier pre-qualification, specifications, evaluation criteria, supplier development and continuous improvement.

1.4.4 Whole Life Costing

Where relevant, buyers will evaluate all purchases on the basis of long term value for money, using whole life costing to assess:

- purchase, installation, transportation and commissioning costs
- operating costs, including labour, maintenance, re-processing, energy, water and consumables usage
- management costs, including staff training, insurance, health and safety and environmental costs
- disposal costs

This approach should be used for all capital investments, waste contracts and where comparing consumables against reusable alternatives. For key cost categories, such as energy, price escalation indices will be used to reflect cost increases over time.

1.4.5 Innovation & Supplier Development

Sustainability is a key aspect of our commitment to innovation.

We will prioritise key suppliers with the highest spend and sustainability impacts for targeted supplier development activities. These will be give senior management support and focus on continuous improvement and tangible delivery of sustainability benefits throughout the supply chain.

We will work with these suppliers to explore service-based contracts for products. This will encourage suppliers to hold responsibility for the through life management of products, using gain share and incentives to reduce their whole life costs and environmental impacts.

We will encourage suppliers to propose innovations which improve the sustainability of their tender responses and reflect this in tender evaluation criteria. Suppliers will recognise the organisation's commitment to sustainability and strive to offer innovative and cost effective sustainable solutions.

1.4.6 Communication & Reporting

To communicate this policy to suppliers, buyers will include a copy of this sustainable procurement policy to all key suppliers, who will be invited to comment.

This policy will also be communicated to all non-procurement staff involved in activities as specification, evaluations or end users.

We will recognise those suppliers whose products and services offer the greatest sustainability improvements.

We will report the social, environmental as well as financial benefits achieved through the process as part of the management system.

The Management team will report at the management review meeting on the impacts and effectiveness of this policy and progress against key targets.

1.5 Policy Development

This policy will be reviewed on an annual basis at the management review meeting.

Signed

Dated