

Sustainable Procurement Code

September 2024



About Yorkshire Water

Yorkshire Water delivers water, sewerage, and environmental services to over 5 million people and 140,000 businesses in Yorkshire, playing a key role in the region's health, wellbeing, and prosperity.

Our vision is to create a thriving Yorkshire: right for customers and right for the environment. To achieve this, we aim to provide a reliable and sustainable supply of water and wastewater services and act as custodians of essential infrastructure and the natural environment.

The suppliers and contract partners we work with play a vital role in delivering our core services. Each year we procure around £1.1bn of goods and services from over 1,100 suppliers, ranging from large international corporations to small local businesses, and in doing so make a substantial contribution to the economy.

Our supply chain faces a diverse array of sustainability-related risks, including climate change, water security, human rights, and fair labour practices. We believe conducting our procurement activities in a sustainable and ethical manner can help to reduce these risks, as well as create opportunities to address existing and emerging social, economic, and environmental challenges through collaboration with our suppliers.

About this document

This Sustainable Procurement Code outlines Yorkshire Water's areas of focus on sustainability-related issues and details the expectations and requirements on our suppliers and contractors, and their supply chains, when undertaking work on our behalf. We seek to challenge ourselves and our suppliers to work together and drive positive change through our supply chain, going beyond compliance to achieve best practice in sustainable procurement.

We encourage suppliers to promote our values through their own supply chains and will support them to achieve this by providing relevant training,



guidance, and resources on a wide range of sustainability topics through our partnership with the Supply Chain Sustainability School. We will also ensure we provide suitable training for our own colleagues to equip them with the required skills and knowledge to embed sustainability across all stages of procurement and contract management.

Sustainability considerations form an important element of our procurement decision-making. Suppliers and contractors should be aware that we may require measurement, reporting, and evidence of how they are meeting the expectations and requirements outlined within this document when bidding for work and throughout their contracts with Yorkshire Water. The exact requirements on suppliers and contractors will be determined by contract size and nature and will be outlined clearly when tendering for work with Yorkshire Water.

Supply Chain Sustainability School

Yorkshire Water is proud to be a partner of the Supply Chain Sustainability School, a collaboration between clients, contractors, and suppliers that seeks to build a common approach to addressing sustainability within their supply chains.

The school provides a wide range of free practical support in the form of e-learning modules, tailored self-assessment and action plans, sustainability training and networking opportunities. We encourage our suppliers and contract partners to engage with the School to support their sustainability approach, and may require them to undertake specific training provided by the School where relevant.

Further information about the Supply Chain Sustainability School can be found on its website at [Supply Chain Sustainability School](#).



Resilience

The reliability and quality of our services is essential to the people, economy, and environment of Yorkshire. Being able to trace the flow of purchased goods back to raw materials and lower-tier suppliers will help us to identify and mitigate social, economic, and environmental risks to our business.

We will:

- Consider the resilience of our suppliers to shocks and stresses that may pose risks to their contractual obligations when making procurement decisions.
- Work with our strategic suppliers to increase the transparency of our supply chains beyond our direct suppliers. We recognise that this will be a challenging task, and therefore we will focus on our higher-risk strategic suppliers initially.

We expect our suppliers to:

- Build resilience into their operations and own supply chain to ensure they can reliably deliver goods and services to Yorkshire Water.
- Inform us promptly of risks or issues that may impact their ability to meet their contractual obligations.



Public value

We know our procurement and contract management activities can have real and positive impacts on the wellbeing of individuals and communities, helping us to achieve our vision of creating a thriving Yorkshire.

Health, safety, and wellbeing

Good health, safety and wellbeing standards and performance are critical to the success and sustainability of our business and supply chain. Everybody who works for, or with, us is responsible for meeting and maintaining high standards of health, safety, and wellbeing.

We will:

- Continue to identify and address gaps to ensure that we only work with competent suppliers who meet our safety criteria.
- Play our part by ensuring that we fulfil all of our client duties in relation to the Construction (Design and Management) Regulations 2015.
- Remain committed to working to prevent harm and protect health across all stages of our business operations, environments, and communities.

We expect our suppliers to:

- Have an effective health and safety management system in place that is appropriate to their business size and nature.
- Ensure that all employees are well trained and equipped with the necessary skills and equipment to complete their job competently and safely.



- Comply with our Health and Safety Policy¹ and standards when working on our sites, which will be outlined during an initial site-specific induction.
- Stop work if they feel a task is unsafe.
- Report accidents, incidents, and dangerous occurrences to help us identify opportunities for continuous improvement in health and safety and to meet our reporting obligations.

Modern slavery

We aim to conduct all our activities in accordance with the highest standards of ethics. We strongly oppose any form of modern slavery activity within our business and supply chain and are fully committed to playing our part in helping eradicate it.

We believe that working collaboratively with our suppliers to build knowledge and engagement will not only benefit their own operations but also play a vital part in preventing modern slavery. More information on our approach to modern slavery is available in our annual Modern Slavery Statement².

We will:

- Be compliant with the requirements of the Modern Slavery Act 2015 and work towards best practice in our approach to managing the risks of modern slavery and human trafficking.
- Assess all new suppliers' awareness and compliance with the Modern Slavery Act 2015, leading to a pass or fail outcome as part of our pre-qualification due diligence assessments.

¹ <https://www.yorkshirewater.com/media/pjoeh5fi/yorkshire-water-health-and-safety-policy-july-2022-final.pdf>

² <https://www.yorkshirewater.com/about-us/our-policies/modern-slavery-act/>



- Undertake modern slavery supplier risk assessments and undertake desktop and site audits on higher-risk suppliers.

We expect our suppliers to:

- Be aware of the Modern Slavery Act 2015 and comply with all its requirements. We encourage all our suppliers to create and implement a modern slavery policy, regardless of their annual turnover or number of colleagues.
- Work proactively to minimise the risk of modern slavery in their operations and own supply chain.
- Inform us promptly of any incidents of modern slavery within their operations or own supply chain.

Equity, diversity, and inclusion

Yorkshire is a wonderfully diverse place. We aim to make sure that the size, ownership, location, and purpose of our suppliers and contract partners represent this diversity to help create a more inclusive working environment for all.

We will:

- Remain committed to maintaining the National Equality Standard and creating a fully inclusive environment with equitable opportunities for all.
- Work to enhance the diversity of our suppliers by increasing the support we provide to small and medium sized enterprises (SMEs), local suppliers, and community enterprises.
- Ensure that our procurement process is transparent, objective, and non-discriminatory in the selection of suppliers.
- Keep within the terms of our contracts and ensure that our suppliers are paid on time, working towards becoming a signatory of the Prompt Payment Code.



We expect our suppliers to be proactive in:

- Supporting equity, diversity, and inclusion in their workforce and supply chain.
- Supporting the growth of the Yorkshire region by providing local employment, training, and development opportunities where possible.
- Identifying and implementing opportunities to create further social value through their contracts with Yorkshire Water.
- Ensuring all qualifying contractors receive at least the Living Wage, including where working for a subcontractor.



Environment

Caring for the environment is a core part of our business. From supplying our customers with clean water, to treating wastewater and returning it safely back to our rivers, we do all we can to protect the environment every step of the way. Our aim is to minimise our environmental impact in both our business and wider supply chain. To do this, we operate an environmental management system certified against ISO 14001:2015 to identify and manage our environmental risks.

While all areas of environmental protection are important to us, carbon and waste management represent two areas where we recognise effective engagement with our supply chain is particularly needed to meet our long-term aspirations.

Carbon

Climate change is a huge issue that we are all facing together. In line with the wider water industry, we have committed to achieving carbon neutrality in our operational carbon emissions³ by 2030⁴, and are also aiming to reduce the capital (also known as embodied) carbon emissions associated with our purchased goods and services. We aim to achieve net zero across all scopes of emissions by 2050.

We will:

- Continue to measure, report, and reduce our operational and capital carbon emissions as we drive towards net zero.
- Work with our supply chain to reduce carbon emissions by, for example, ensuring our capital delivery partners prioritise the use of low carbon designs, materials, and construction methods.

³ Includes Scope 1 and 2 emissions and Scope 3 emissions where a core activity is outsourced. Excludes emissions from owned land.

⁴ <https://www.water.org.uk/routemap2030/>



- Support our suppliers and contract partners in measuring and reducing carbon emissions in their operations and own supply chains.

We expect our suppliers to:

- Commit to achieving net zero by 2050 or earlier and have a strategy in place to achieve this.
- Offer and prioritise low-carbon solutions, including nature-based solutions, when engaging in tender activities.
- Measure and reduce their carbon emissions in their operations, and encourage their supply chain to do the same.
- Collaborate with Yorkshire Water to tackle the shared challenge of reaching net zero emissions across our operations and supply chain.

Waste

We produce a substantial amount of waste through our operations and outsourced activities. Our aspiration is to minimise both the volume of waste we produce and the proportion of waste we send to landfill.

We will:

- Measure and report on the waste we generate through our operations and outsourced activities.
- Reduce waste and pollution by making this a key design stage consideration.
- Keep products and materials in use by encouraging reuse and recycling wherever possible in line with circular economy principles.
- Minimise the use of non-renewable resources.



We expect our suppliers to:

- Measure, report, and work to reduce waste produced by their activities.
- Offer and prioritise solutions that reduce waste generation when engaging in tender activities.
- Embrace circular economy principles to keep products and materials in use for as long as possible.
- Minimise the use of raw materials, packaging, and single-use plastics.



Next steps

Our goal for our suppliers and contract partners to share our sustainability ambitions and work together with us to solve our common challenges. Where applicable, the expectations of our suppliers as described in this document will be used as weighted criteria during tender evaluations (alongside traditional cost and quality considerations) and form the basis of key performance indicators for ongoing contract management. Specific criteria for each tender will be selected to ensure their relevance to the goods or services being procured.

Certain aspects of this Code may not be applicable to all suppliers, and we recognise that immediate compliance in all areas may not be feasible. However, we aim to ensure its key principles remain consistent across our procurement and contract management activities and expect suppliers to commit to continuous improvement towards compliance in future. In addition, we may carry out audits of our suppliers to help us ensure our sustainability expectations are upheld.

We will continue to develop our Sustainable Procurement Code and welcome feedback from suppliers to help shape and improve our approach in future.

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Thank you

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