

# Sustainable Procurement Strategy

April 2021



YorkshireWater

# Introduction

We are committed to enhancing the resilience of our supply chain to ensure that the services we provide to our customers, such as the uninterrupted supply of drinking water, are sustainable in the long term. This is challenging as our supply chains are at risk from diverse and increasing external pressures such as climate change and population growth. Reducing risk and creating opportunities to enhance the sustainability of our supply chains is central to our vision 'taking responsibility for the water environment for good', and our ambition is to work in collaboration with our strategic suppliers to responsibly address existing and emerging social, economic and environmental challenges.

The purpose of our sustainable procurement strategy is to outline our areas of focus in the short and long term, and to demonstrate how we will challenge ourselves and our suppliers to work together and drive change throughout the supply chain. Importantly our strategy goes beyond compliance with legislation and regulation, which is a minimal requirement for all.

We ensure that in addition to complying with all legal requirements, our procurement processes meet our high business expectations. This includes meeting the supply chain requirements of specific externally verified standards that we are committed to achieving and maintaining, such as the Carbon Trust Standard. More information on our business targets and performance can be found in the Annual Report and Financial Statements. In parallel to this we work towards demonstrating best practice in our approach to three areas: health and safety, resilience, and modern slavery.

Further to the current work, by 2025 we will continue to enhance our reputation by demonstrating best practice in health and safety, resilience, and modern slavery, whilst also increasing our focus on environmental factors such as water efficiency and waste.

Within this document we have outlined the current work that we undertake, as well as the expectations that we have for our suppliers. We encourage our suppliers to promote this behaviour throughout their own supply chains and where possible we will support our suppliers towards achieving these expectations. We will also make sure that we provide suitable training for our Yorkshire Water colleagues, to equip them with the required skills and knowledge to consistently embed sustainability across all stages of procurement and contract management.

## Health and Safety

Good health, safety and wellbeing standards and performance are critical to the success and sustainability of our business and supply chains. Everybody who works for, or with us, is responsible for 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.
- 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 to competently and safely complete their job.
- Comply with our health and safety standards when working on our sites, which will be outlined during an initial site-specific induction. Furthermore, we expect our suppliers to stop work and take the necessary steps if they feel that a task is unsafe, and we ask everyone to report any details that can help us identify opportunities for continuous improvement.

## Resilience

To progress towards demonstrating best practice in supply chain resilience by 2025, we will start by working with our strategic suppliers to increase the transparency of our supply chains beyond our direct suppliers. Being able to trace the flow of materials and information back to the raw materials and original suppliers enables us to identify social, economic and environmental risks which could lead to an interrupted supply. We can then use this information to mitigate or eliminate these risks. We accept that this is a challenge and therefore we will initially focus on working with our high-risk strategic suppliers

## **Ethical**

Ensuring ethical supply chains is very important to us and we do not tolerate unethical practices such as: modern slavery, child labour, forced labour, human trafficking, corruption, bribery, or fraud. As a minimum, all of our suppliers should work proactively to ensure that no ethical breaches occur, and this should be relayed down the supply chain.

We will:

- Be compliant with the Modern Slavery Act (MSA) 2015 and we will correspond with all of our high-risk suppliers to provide an overview of the legislation, stating our intent and future expectations.
- Maintain a MSA risk assessment of suppliers and undertake desktop and site audits on high risk 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.
- Maintain high standards of corporate social responsibility (CSR) and clear CSR reporting, demonstrating examples of our positive economic, environmental and social impacts.
- Remain committed to maintaining the National Equality Standard by supporting a diverse and inclusive workforce, giving equal opportunities to all, and working to enhance our supplier diversity criteria.

We expect our suppliers to:

- Be compliant with the Modern Slavery Act 2015, and we encourage everyone to sign up to the Act irrespective of their turnover.
- Keep within the conditions of their contracts, ensuring that their suppliers are paid on time, and we encourage everyone to sign up to the Prompt Payment Code.
- Be committed to equality, diversity and inclusion and evidence good practice.

## **Environmental**

We will ensure that the risk of negative environmental impact in all forms is minimised, and our aspiration is for this to be eradicated throughout our supply chains. To help manage our environmental compliance we are certified against ISO 14001:2015 and we expect our suppliers to adopt the principles of this standard. All areas of environmental performance are important to us, and carbon in particular is a key area of focus.

## **Carbon**

We will:

- Continue to measure, monitor, report and reduce our carbon footprint and remain committed to maintaining the Carbon Trust Standard.
- Complete a sustainability risk assessment for all new contracts
- Work with our supply chain to reduce carbon emissions, for example by ensuring that future Asset Management Plan (AMP) Partners support the development and delivery of low carbon solutions and enhance our use of standard products and solutions, off site construction and modular build.

We expect our suppliers to:

- Offer and prioritise innovative lower-carbon solutions.
- Measure, monitor, report and work to reduce their carbon footprint where appropriate, as well as encouraging their supply chain to do the same.

## **Water**

We will:

- Measure, monitor and work to continually improve the water efficiency of our operations.
- Promote forms of sub-potable water use where appropriate, for example rainwater harvesting and grey water recycling.

We expect our suppliers to:

- Promote water efficiency and forms of sub-potable water use in their supply chain.
- Have a documented policy for their approach to water sourcing, consumption and efficiency if they have significant water consumption within their supply chain.

## **Waste**

We will:

- Measure, monitor, report and reduce our waste to landfill, observing the waste hierarchy of reduce, re-use, recycle.

We expect our suppliers to:

- Follow the waste hierarchy and work to minimise packaging where possible.
- Measure, monitor, report and work to reduce waste to landfill that is produced by their activities on our sites, observing the waste hierarchy of reduce, re-use, recycle.

## Conclusion

Our goal is for our supply chains to share our commitment to the continuous improvement of environmental, economic, and social sustainability and therefore, where applicable, our expectations of our suppliers (described above) will be used as key, weighted criteria during tender processes. We will also carry out sustainability audits of our suppliers where appropriate to help us assure that the key principles of our strategy are upheld. We appreciate that certain aspects of our strategy may not be applicable to all our suppliers, but we will aim to ensure that the fundamental principles remain consistent across our supply chain. We will continue to seek continuous improvement and review our progress against our strategy, which we will update in 2019 for phase two.



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