

SUSTAINABLE AND ETHICAL PROCUREMENT POLICY

Introduction

We take social and environmental factors into consideration alongside financial factors in making decisions on the purchase of goods and the commissioning of services. Our purchasing decisions should where practicable consider whole life cost and the associated risks and implications for society and the environment.

Procurement can make a significant contribution to our goals of sustainable economic development and resource minimisation by ensuring that the goods and services we buy consider optimum environmental performance.

Procurement has an additional role to play in minimising any risk of social exploitation within the supply chain. We believe that this not only makes business sense, it also has the potential to improve the living and working standards of people around the world.

This policy standard sets out the detailed requirements and minimum expectations of our policy of sustainable and ethical procurement. Specifically, it addresses the expectation that our staff and suppliers have a natural respect for our ethical standards in the context of their own particular culture and that relationships with our suppliers are based on the principle of fair and honest dealings at all times.

The same principle of fair and honest dealings must be extended to all others with whom our suppliers do business, including employees, sub-contractors and other third parties and their local communities.

Objectives

Sustainable Procurement

Our sustainability objective is to ensure a continuous improvement in procurement decisions measured against delivering sustainable and ethical trading. More specifically, we seek to avoid adverse social and environmental impact in the supply-chain, the reduction of environmental impact from service operations and the purchase of products that meet recognised environmental standards.

Ethical Procurement

Our ethical objective is to ensure that people in the supply-chain are treated with respect and have rights with regard to employment including the rights to freely choose employment, freedom of association, payment of a living wage, working hours that comply with national laws, equal opportunities, recognised employment relationship, freedom from intimidation and to a safe and healthy working environment.

Our Commitment

Sustainable Procurement Standard

Working in partnership

- We will seek out organisations that share our commitment to sound environmental performance and improvement. Where applicable, we will offer assistance to our suppliers in raising their environmental awareness. We will develop partnerships with our suppliers and contractors and work together to minimise the environmental and social impacts of our supply chain.
- Sustainability requirements will be considered and where appropriate will be specified in initial tender documentation for both suppliers and contractors, to ensure suppliers and contractors are aware of our environmental and social criteria at an early stage in the tender process.
- Small firms, voluntary and community organisations, social enterprises and ethnic minority businesses are considered members of our supply chain as they play an important role in the local economy and contribute to social cohesion.

Environmental impact

- Where practicable, we will purchase goods that have a minimal impact upon the environment, both local and global. Factors taken into consideration will include sustainability of resource production, transportation, full life energy/raw material consumption and waste production and percentage recycled content.
- Wherever possible we will consume and purchase less by identifying and eradicating, wasteful practices within our own operation and those operations where we have influence.
- We will re-cycle goods at the end of their life, where this is possible and where it is not possible ensure disposal in the most environmentally sound manner.
- We will purchase products and services that meet minimum environmental standards. ● To promote and embed the adoption of sustainable services, we will develop and support through appropriate awareness programmes, new methodologies for identifying needs; appraising options; agreeing design and specification; supplier selection; tender evaluation; contract management and supplier development.

Procurement process

- We will use their purchasing power, where practicable, to influence and encourage suppliers in order to create a more reliable market for environmentally and ethically produced products and services.
- Environmental and social factors shall be considered in the purchasing process. Specifically this includes considering what the product is made from, the product durability, where it is made and by whom, the efficiency of the product during use and the processes involved in its production and distribution, what the disposal requirements are and if it can be reused or recycled.
- We will add sustainability into the procurement cycle: identifying needs; appraising options; design and specification; supplier selection; tender evaluation; contract management and supplier development.
- Sustainable development concepts will be embedded into purchasing functions through training programmes.

Monitoring and measuring

- We will seek to establish key performance indicators for sustainable procurement where appropriate and monitor and measure the performance of our supply chain against them.
- Where applicable, environmental law is given effect through procurement decisions including international obligations on climate change and sustainable development. We will support national policy and legislation to reduce CO₂ emissions, ban ozone depleting substances and protect biodiversity.

Ethical Procurement Standard

We expect our suppliers to comply with legal requirements and to adopt the following moral principles:

Regulatory compliance

- Suppliers shall comply with all national and other applicable law and regulations. Where the national law and this Standard are in conflict, the highest standards consistent with national law should be applied.
- Where the provisions of law and this Standard are not in conflict but address the same subject, the provision, which affords the greatest protection to people and the environment, should be applied.

Employment

- There is no forced, bonded or involuntary prison labour.
- All employees without distinction, have the right to join or form trade unions of their own choosing and, where a significant proportion of the workforce agree, to bargain collectively.
- Employees' representatives are not discriminated against and have access to carry out their representative functions in the workplace.

Elimination of child labour

- The long-term elimination of child labour should take place in a manner consistent with the best interests of the children concerned.
- Suppliers should develop or participate in and contribute to policies and programmes that provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child.
- Children and young persons under 18 shall not be employed at night or in hazardous conditions.

Right to a living wage

- Wages paid for a standard working week meet or exceed national (or, where applicable, local) legal standards.
- In any event, wages should not be paid in kind and should be enough to meet basic needs.
- All workers should be provided with written and comprehensible information about their employment conditions in respect to wages before they enter employment and the particulars of their wages for the pay period concerned each time that they are paid.
- Deductions from wages as a disciplinary measure should not be permitted. Deductions from wages not provided for by national law should only be permitted with the expressed permission (without duress) of the worker concerned. All disciplinary measures should be recorded.

Avoidance of excessive working hours

- Standard working hours must comply with national laws and national benchmark industry standards; whichever affords greater protection to the employee.
- All Employees should not on a regular basis be required to work in excess of 48 hours per week and should be provided with at least one day off for every 7-day period on average. Overtime requested by the employer must be voluntary and must not be requested on a regular basis.

No discrimination

A policy of equality for all should be in place and there should be no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, religious beliefs, union membership or political affiliation.

Provision of regular employment

- To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.
- Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship should not be avoided,
- Examples include the abuse of labour-only contracting, sub-contracting, or homeworking arrangements, through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, or the excessive use of fixed-term contracts of employment.

No harsh or inhumane treatment

Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse of other forms of intimidation shall be prohibited.

Safe and Healthy Working Conditions

We expect our suppliers:

- To provide a safe and healthy working environment bearing in mind international standards, the prevailing knowledge of the industry and of any specific hazards, ● To take adequate steps to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working practice and environment. ● Provide workers with suitable and sufficient health and safety training, in order that they fully understand the hazards associated with the work activity and environment and the correct practices required to minimise the risks.
- Provide suitable and adequate welfare facilities including toilet facilities, drinking water and food storage where required. Accommodation, where provided, shall be clean, safe and meet the needs of the workers.

- To assign responsibility for health and safety to a senior management representative.

Environment

We expect our suppliers:

- To have an effective environmental policy, to implement the policy at all levels throughout the company and to include a commitment to continual improvement in environmental performance and prevention of pollution,
- To comply with all environmental legislation, regulations and all local laws which relate to the organisations environmental aspects to facilitate the protection of the environment. ● To have a process that ensures conformity to local regulations, including those relating to the reduction, reuse and recycling of waste and the elimination and safe disposal of dangerous materials.
- To identify a person within its business who has responsibility for environmental compliance issues and to be able to demonstrate that responsible personnel are adequately trained in environmental matters.
- To routinely identify risks of adverse environmental impact associated with their operations and where operations with identified risks are planned to ensure they are carried out under controlled conditions with the objective of minimising potential adverse impact upon the environment.

Principles

We will use the following best practice principles to guide the implementation of our policy:

Principle 1: Working together

We will:

- work collaboratively with suppliers in pursuit of this standard; ● guide relationships by the principle of continual improvement; ● welcome rather than penalise suppliers identifying activities that fall below this standard (undertaken by themselves or sub-contractors) and who agree to pursue their aspirations;
- Consider a similar ethical trading standard as a reasonable alternative where suppliers are already working towards sustainability,

Principle 2: Making a difference

- We will, and we expect our suppliers to:
- use an environmental and social risk-based approach to the implementation of this standard;
- focus attention on those parts of the supply chain where the risk of not meeting this standard is highest and where the maximum difference can be made with resources available.

Stanway Interiors' suppliers should:

- be prepared to demonstrate the basis of their approach with regard to the above.

Principle 3: Awareness raising and training

We will, and we expect our suppliers to:

- ensure that all relevant people are provided with appropriate training and guidelines to implement the requirements of this standard.

Principle 4: Monitoring and independent verification

We will:

- recognise that implementation of this standard may be assessed through monitoring and independent verification, and that these methods will be developed as our understanding grows.

We will expect our suppliers to:

- provide reasonable access to all relevant information, premises, and workers (through interviews) and co-operate in any assessment against this standard — using reasonable endeavours to ensure that sub-contractors do the same.

- use reasonable endeavours to provide workers covered by this standard with a confidential means to report to the supplier failure to observe its requirements.

Principle 5: Continuous improvement

We will, and we expect our suppliers to:

- apply a continual improvement approach in agreeing schedules for improvement plans with suppliers not meeting this standard;
- base improvement plans on individual case circumstances;
- Ultimately, Stanway Interiors will not do business with a supplier where serious breaches of this standard are identified and where the supplier consistently fails to take corrective action within an agreed timescale.

Responsibility and Authority

This policy standard is issued under the authority of the Managing Director, **NICK FOX**

Responsibility for implementation of this policy standard is set out below:

- Responsibility for the achievement of this policy standard rests with the Directors ●Directors are responsible for implementing the policy standard, monitoring its implementation in the everyday activities of their division and report to their divisional board.
- Managers are responsible for implementing the policy standard, monitoring its implementation in the everyday activities of their operations and report to their Directors. ●The Operation's Director is responsible for reviewing the policy standard and ensuring that it is kept up to date with changes in legislation. It is also responsible for the development of guidance and training on the implementation of the policy standard and for providing appropriate reports to the board.

Evidence of Compliance

The Stanway Interiors Board will carry out regular monitoring of the implementation of sustainable procurement commitments and ethical standards by business units to enable us to identify trends and ensure that environmental and social factors are being considered in procurement decisions.

To demonstrate compliance with this policy standard, each division is required to provide access to documentation and records for audit purposes:

- Sustainable and Ethical Procurement Policy Standard (this document)
- related policy statements and procedures ●internal audit reports

Divisions • Procedures

- training material ● audit/review records

Business units/operating contracts

- audit/review records