



CSP 15 – Sustainable and Ethical Procurement Policy

Rev: 02

Date: 05/02/2023

INTRODUCTION

We take social and environmental factors into consideration alongside financial factors in making decisions on the purchase of goods and services. Purchasing decisions, where possible, will consider whole life cost and the associated risks and implications for society and the environment.

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, but also has the potential to improve the living and working standards of people around the world.

This policy addresses the belief that our employees and suppliers have a natural respect for our ethical standard 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.

- **Objective - Sustainable Procurement**

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 with our environmental policy.

- **Objective - Ethical Procurement**

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 Policy**

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 if 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.

ENVIRONMENTAL IMPACT

Where possible, 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.

Author: QHSE Manager
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Approval: Managing Director(s)

Page 1 of 4



CSP 15 – Sustainable and Ethical Procurement Policy

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PROCUREMENT PROCESS

We will use our 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 including what the disposal requirements are and if it can be reused or recycled.

COUNTERFEIT, FRAUDULENT AND SUSPECT ITEMS (CFSI)

Buying CFSI products directly supports unacceptable working practices. Human Trafficking. Counterfeit goods can't be regulated so human trafficking is common for cheap labour. Child Exploitation Forcing children in deprived areas into work for unpaid or cheap labour is common practice in the production of counterfeit goods. Organised Crime and Terrorism is funded with the profits of CFSI.

Proving that something is fraudulent isn't always easy. Until proven otherwise, goods are treated as suspect and treated with the same caution as counterfeit goods, as the consequences could be devastating if counterfeit or fake components make their way into the nuclear or defense supply chain.

Procurement teams, ensure that these requirements are passed down through the supply chain as they form an essential part in acceptance of goods upon delivery. We always carry out thorough due diligence before engaging with a new supplier. If this isn't possible, we would find out where non-approved suppliers are sourcing from.

LOOK OUT FOR THESE RED FLAGS

- **Shorter lead times than other suppliers.**
- **Sudden availability of obsolete or hard to source goods**
- **Cheaper than expected prices**
- **If it is too good to be true it probably is**

We do recognise the risk CFSI plays in our business, and that of our customers.



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ETHICAL PROCUREMENT POLICY

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

- **Employment – modern slavery**

No forced, bonded, or involuntary prison labour. Nor do we demand deposits or hold onto our workers' identity papers, or work with businesses that do. We only work with people who choose to work freely. Employees have the right to join or form trade unions of their own choosing and, if 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.

- **Right to a living wage**

Wages paid for a policy working week meet or exceed national (or, where applicable, local) legal standards. Wages are not paid in kind and should be enough to meet basic needs.

All workers are provided with clear written information about their employment conditions in respect to wages before they enter employment and details of their wages for the pay period concerned. Deductions from wages as a disciplinary measure will not be permitted.

- **Avoidance of excessive working hours**

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.

- **No discrimination**

A Diversity and Equality policy in place ensures no discrimination in hiring, 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.

- **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 is prohibited.

- **No illegal or unethical sourced materials**

Policies and reliable systems in place to prevent the use of illegally or unethically sourced materials, in particular policies and systems to prevent improper procurement of conflict minerals also known as tantalum, tin, tungsten, and gold. Supply chain partners must make every reasonable effort to ensure that their sources are conflict free and be able to provide adequate verification if requested.



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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 and 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 minimising the risks. Also, to provide suitable and adequate welfare facilities including toilet facilities, drinking water and food storage where required.

ENVIRONMENT – WE EXPECT OUR SUPPLIERS:

To comply with all environmental legislation, regulations and all local laws which relate to the organisation's environmental aspects to facilitate the protection of the environment and 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 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.

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.

We support national policy and legislation to reduce CO2 emissions, ban ozone-depleting substances and protect biodiversity.

EVIDENCE OF COMPLIANCE

The Directors will ensure regular monitoring of the effectiveness of the policy at all sites to identify trends and that environmental and social factors are being considered in procurement decisions.

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