Policy Statement

Sustainable Procurement Policy

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Introduction

At RSE, Sustainable Procurement is about using procurement and working with our supply chain to address social, economic and environmental considerations over the entire life cycle of a project, with the intention to offer real long-term benefits to the economy, to communities and the environment.

This is hugely challenging especially as our many and varied supply chains are at risk from diverse and increasing external pressures such as energy costs, climate change and carbon reduction. Reducing risk to RSE and creating opportunities that enhance the sustainability of our supply chains is central to our long-term vision.

RSE's ambition is to work in collaboration with our strategic suppliers to responsibly address existing and emerging social, economic and environmental challenges.

This policy will be supported, where necessary, by other RSE policies and procedures.

Aim and Scope of This Policy

The aim of this policy is to communicate the RSE commitments to deliver sustainable outcomes through our procurement activities. **It applies, where relevant and proportionate to the goods, services or subcontracts being provided**.

RSE's policy is to go beyond compliance and adopt best practice with regards to legislation and regulation, which is a requirement for all. We ensure that in addition to complying with all legal requirements, our procurement processes meet our business expectations. This includes meeting the supply chain requirements of specific externally verified standards that we are committed to achieving and maintaining.

In parallel to this we work towards demonstrating best practice in our approach to the following areas:

- Health and Safety, H&S
- Quality
- Resilience
- Ethics
- Environment

Within this policy we have outlined the expectations that we have for our suppliers and sub-contractors. 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 RSE colleagues, to equip them with the required skills and knowledge to consistently embed sustainability across all stages of procurement and contract management.

Responsibilities

Responsibility for this policy lies with the RSE MD. The implementation of this policy is the collective responsibility of all employees, agents, consultants, suppliers and subcontractors.

At the core of our policy is the requirement for all our suppliers and sub-contractors to comply with all applicable and relevant legislation, including but not limited to the Modern Slavery Act 2015, Environmental and Health and Safety legislation.

Suppliers and sub-contractors must ensure their suppliers and sub-contractors also comply with these requirments.

Health and Safety

RSE have set high standards for health, safety and wellbeing and continued high performance is critical to the success and sustainability of our business and supply chains. Everybody who works for, or with us, is responsible for ensuring that health, safety and wellbeing standards are maintained.

RSE operate a H&S Management System that is certified to ISO 45001;2018 and we expect our suppliers and sub-contractors to either have certification or adopt the principles of this standard

We will:

- Continue to identify and address gaps to ensure that we only work with competent suppliers who meet our health, safety and well-being criteria
- Play our part by ensuring that we fulfil all our client duties
- Remain committed to working to prevent harm and protect health and safety 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 all necessary steps where they feel that a task is unsafe, and we ask everyone to report any details that can help us identify opportunities for continuous improvement.

Quality

RSE and our clients have high standards for quality management, providing quality products, projects and services are crucial to the success and sustainability of RSE and also our supply chains.

RSE operate a Quality Management System that is certified to ISO 9001:2015 and we expect our suppliers and sub-contractors to either have certification or adopt the principles of this standard

We will:

- Continue to operate a ISO 9001:2015 Quality Management System.
- Conduct routine audits on our activities, projects, services, suppliers and sub-contractors.
- Raise non-conformances where applicable, to facilitate learnings and to put in place preventative measures to reduce the risk of re-occurrence.
- Continually improve and evolve our management system.

We expect our suppliers to:

- Operate a certified ISO 9001:2015 QMS or to operate to our QMS when on RSE sites.
- Conduct internal audits and where appropriate conduct audits on suppliers and sub-contractors.
- Ensure that relevant and applicable quality non-conformances are communicated to RSE to enable the sharing of learning and improvements, RSE may share these learning with our clients.

Resilience

To progress towards demonstrating best practice in supply chain resilience, RSE will start by working with our strategic suppliers to increase the transparency of our supply chains beyond our direct suppliers.

By having the ability to trace the flow of materials and information back to the raw materials and original suppliers we will be able to identify social, economic and environmental risks which could lead to an interrupted supply.

This information can then be used 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 RSE and we do not tolerate unethical practices, for example 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 requirement should be relayed down the supply chain.

We will:

- Be compliant with the Modern Slavery Act, MSA, 2015 and we will correspond with all our high-risk suppliers to provide an overview of the legislation, stating our intent and future expectations
- Keep within the terms of our contracts and ensure that our suppliers are paid on time
- Be fully compliant with fair trade practices including bribery, corruption, tax evasion
- Maintain high standards of corporate social responsibility, CSR, and where required, 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.

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
- Raise awareness to all personnel on how to report potential breaches of MSA, either using the helpline number 08000121700 or website to report incidences www.modernslaveryhelpline.org/report
- 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 fully compliant with fair trade practices including bribery, corruption, tax evasion
- Be committed to equality, diversity and inclusion and evidence good practice.

Environmental

RSE 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. In order to help manage our environmental compliance, we are certified to ISO 14001:2015 and we expect our suppliers to adopt the principles of this standard. Where suppliers and sub-contractors are not ISO 14001:2015 certified then we require them to work to our management system when on site.

All areas of environmental performance are important to us, the following areas are key focuses for RSE:

Carbon Reduction

We will:

- Continue to measure, monitor, report and reduce our carbon footprint and remain committed to maintaining our Route to Net Zero.
- Work with our supply chain to reduce carbon emissions, for example by supporting the development and delivery of low carbon solutions and construction materials and techniques.

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 Use and Management

We will:

- Measure, monitor and work to continually improve the water efficiency of our operations, products and services.
- 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 Management

We will:

- Measure, monitor, report and reduce our waste to landfill, observing the waste hierarchy of reduce, re-use, recycle.
- Minimise waste and use of materials and give preference to materials, products and services with greatest circular-economy benefits.

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.
- Utilise circular economy practices whenever practicable.

Air Quality and Noise

We will:

- Reduce impacts on air quality and noise by controlling dust, harmful emissions and controlling noise with our site activities.

We expect our suppliers:

- Where relevant, to ensure preventive measures are taken to reduce, dust, fumes and noise emission from their activities on site.

Biodiversity

We will:

- Ensure trees, wildlife and other habitats on site are protected.
- Only obtain timber and timber based products from certified FSC suppliers.

We expect our suppliers to:

- Protect trees, other habitats, and wildlife on site. This includes following the advice of relevant specialists and complying with ecological and arboriculture mitigation requirements.
- Suppliers and sub-contractors must ensure that all the timber and timber products they use is legally and sustainably sourced, such as FSC, and when requested provide documented evidence to RSE.

Local Communities

Within RSE, supporting the development of local communities around our locations is extremely important to us. As part of commitment, we aim to:

- Develop Skills and Talent by recruiting personnel locally and providing opportunities for all personnel including graduates, trainees and apprenticeships to learn and develop their skills.
- **Supplier Diversity** we will, where practicable offer small and medium enterprises, social enterprises and local businesses the opportunity to participate in our supply chain and to work with suppliers who actively manage diversity & inclusion in their workforce.
- **Community Engagement** RSE will engage with the local community and strive to avoid disruption to local people in order to provide a positive experience of RSE.

Innovation

All suppliers are invited to approach RSE with product and service innovations that can support us and our clients to improve health, safety and the environment and also support our sustainability ambitions or reduce costs. Sustainability improvements may be in reducing the use of materials, use of alternative material, providing new uses for waste resources, reducing water, greenhouse gas emissions or providing circular economy solutions.

Suggestions can be submitted to innovations@ross-eng.com

Speak Up

If our suppliers or sub-contractors see something which is not in line with the RSE's Code of Conduct and our other policies, they are encouraged to Speak Up, See Something, Say Something, Do Something, and report issues to RSE. Working together we can prevent causes of non-compliance in our business and supply chain.

Report issues to feedback@ross-eng.com

Conclusion

RSE's goal is for our supply chains to share our commitment to the continuous improvement of environmental, economic, and social sustainability and where applicable, our expectations of our suppliers, described above, will be used as key, weighted criteria during tender processes.

RSE appreciate that certain aspects of our Sustainable Procurement Policy 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 will review this policy annually, and revise or update it as necessary.

Allan Dallas

Managing Director

Ross-shire Engineering Ltd.