

Sustainable & Ethical Procurement Policy

Approving authority:	The Court
Consultation via:	Global Operations Executive, University Executive, Audit & Risk Committee
Approval date:	24 March 2022
Effective date:	1 April 2022
Review period:	No later than two years from date of approval
Responsible Executive:	Finance Directorate
Responsible Office:	Procurement Services

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1. INTRODUCTION

Heriot-Watt University recognises that its procurement activities have a significant impact on the environment, society and the economy through our research and teaching activities, and accepts that it has a responsibility to strive to effectively manage and optimise those impacts.

The aim of this **Sustainable & Ethical Procurement Policy** is to provide a vision, set of principles and framework that guide our actions in embedding sustainable purchasing within the processes and culture at the University, in line with the objectives and commitments set out in the University's Strategic Plan 2025, and in support of the University's approach to Global Environmental Sustainability and attainment of the UN Sustainable Development Goals.

This Policy embeds the University's commitment towards climate action and enhancing the environmental and social impact of our activities. It is reflective of the University's environmental sustainability ambitions and policies, as well as the improvements made over the past five years to legislation.

This Policy also underpins Procurement's vision of making a significant, sustainable and socially responsible contribution to our local and global communities, along with our strategic objective of driving forward the University's sustainability agenda, positively contributing to the University's net zero carbon target and driving economic sustainability through procurement activities. It outlines the University's commitment and approach to Sustainable Procurement in detail and identifies the ways in which procurement can deliver on the wider policy objectives of innovation and growth, promotion of jobs and training opportunities, and increasing Small and Medium Sized Enterprises (SMEs) participation.

This Policy is to be read in conjunction with the University's **Procurement Strategy and Action Plan**. Not only does the Strategy detail the University's ambition of embedding sound ethical, social and environmental practices and policies, but also outlines our commitment to delivering an improved service model and better procurement solutions that facilitate excellence in research, education and enterprise. Procurement Services must continue to deliver optimal value and service to our Schools and Services and, although we endeavour to integrate sustainability in decision-making processes, it is recognised that the University, by exception, may have specialist requirements or unforeseeable circumstances when sustainable considerations are not proportionate or relevant. Nevertheless, value-for money and optimal procurement solutions will always be considered in our decision-making.

2. PURPOSE

The purpose of this policy is to ensure all staff involved in the procurement of works, goods and services manage their activity in a way that:

- maximises the environmental, social and economic benefits of investment;
- maximises value for money;
- minimises any adverse environmental, social and economic impacts from procurement;
- allows the University to make a material contribution to the achievement of the Government's National Performance Framework outcomes; and
- allows the University to meet all social, moral, economic and legal imperatives associated with the supply chain sustainability.

3. OUR GLOBAL COMMITMENT

The University is committed to integrating sustainability into everyday practice and decision-making processes at all campuses, thereby minimising our environmental impact and optimising the social and economic outcomes associated with our operations.

We are not only committed to meeting our legislative obligations associated with supply chain sustainability, but we are committed to taking a step beyond. We aspire to become leaders in sustainability in the HE sector, supporting our ambitions of improved sustainability rankings in league tables.

Further, we intend to promote positive impacts and change, throughout the whole life cycle and supply chain of the goods or services, in order to fulfil current needs without lessening the ability of future generations to do the same.

We will look to continue to embed sustainable procurement by committing to –

3.1. Staff and Students

We will work in partnership with our academic budget holders and professional services colleagues across the University to enter into agreements and contracts with suppliers that share and adhere to our vision, ensuring economic, social and environmental impacts are taken into consideration when making procurement decisions. We will also support the use of products and services from suppliers whose own sustainability policies are in accord with the University and who promote an ethical approach to procurement.

We will provide information and training to staff on sustainable and ethical procurement practice and related issues, and we will foster behavioural change by encouraging participation and consultation by staff and students in broader sustainability initiatives.

We will work collaboratively with staff and students when procuring to:

- Not knowingly deal with companies whose activities include practices which directly pose a risk of serious harm to individuals, groups, or the environment, or whose activities are inconsistent with the values of the University;
- Ensure the procurement of goods, services and works is absolutely necessary, review consumption of goods and services to reduce usage and adopt the most environmentally-friendly alternative products wherever possible;
- Source energy-efficient products and ensure acquisitions are made on a 'whole life cost' basis;
- Support the use of the best practice buying standards relating to sustainable procurement in product/service specification;
- Support the development of the circular economy and avoid linear models of resource use and disposal, for example by avoiding single-use disposable items, minimising packaging and working with suppliers to encourage reuse or high quality recycling;
- Avoid the unnecessary use of hazardous materials and processes and take all reasonable steps to prevent damage to the environment where such materials are essential;
- Implement best practice and innovative processes to minimise sustainability impacts, associated with the procurement of goods, services and capital works, including meaningful action to reduce and eliminate supply chain emissions of greenhouse gases;
- Consider local supply alternatives as well as supply chain miles to reduce carbon emissions; and
- Introduce mandatory ethical and sustainability requirements in tender documentation, with minimum mandatory % weighting in evaluation criteria.

We will also remove barriers to entry to encourage local, regional, SME and ethnic minority suppliers to compete for University business, helping them understand procurement processes in order that they can compete effectively.

To support the implementation of this Policy, we will:

- Work in partnership with local communities, at all five campuses, in relation to sustainability initiatives;
- Work in partnership with other public sector organisations to develop and integrate the principles of sustainability within the HE sector;
- Aim to generate employment and training opportunities, including vocational training, for priority groups;
- Support and promote equality and diversity initiatives;
- Make sub-contracting opportunities available to SMEs, the third sector and supported businesses;
- Support educational initiatives, including working with schools and colleges to offer work experience;

- Encourage our suppliers to pay the Living Wage and to embed fair working practices; and
- Measure and report on the benefits of sustainable and ethical procurement, as well as on the progress against our sustainable procurement objectives.

3.2. Suppliers and Contractors

We will work with suppliers and contractors to:

- Consider the social, economic and environmental impacts of their products, services and activities and take positive steps to improve performance against sustainability objectives;
- Characterise and take action to reduce and eliminate supply chain emissions of greenhouse gases;
- Adopt sustainable approaches to the production of products and services and within their own supply chains;
- Assess opportunities to implement circular economy models of resource use wherever possible, including action on packaging waste and the provision of take back schemes;
- Comply with national and international standards on environmental and human rights issues and encourage a strategic approach to sustainable development and progress;
- Acknowledge their compliance with the principles of our Supply Chain Code of Conduct with respect to their organisation and their supply chain;
- Actively exceed the requirements of any anti-slavery / modern slavery legislation in any country that they operate in and comply with any voluntary and mandatory publication schemes in place to provide transparency of this activity; and
- Promote awareness of the University's sustainability policies, objectives and aspirations in the supply market.

3.3. HE Sector and APUC

At the UK campuses, we will work with HE Sector and our Centre of Expertise (CoE) – Advanced Procurement for Universities and Colleges (APUC) – to:

- Ensure that the APUC's Supply Chain Sustainability Policy includes commitments that are similar to those set out in the University's Sustainable Procurement Policy and support the University in fulfilling its commitments with regards to sustainable procurement;
- Ensure that APUC commits to removing barriers to entry such that suppliers within the locality and region of the University, and SME and ethnic minority suppliers irrespective of locality or region are encouraged and enabled to compete for collaborative contracts; and
- Encourage APUC to competitively tender contracts on a regional basis to avoid suppliers in the region being precluded from competing due to the geographical nature (where appropriate).

4. DELIVERY

There are three key guiding principles which will support the effective delivery of this Sustainable & Ethical Procurement Policy. We will ensure these principles are embedded into Procurement thinking and action.

- **Communicating and Learning:** We will share good practice, provide training, and communicate sustainable procurement initiatives and activities to staff and students. We will seek ideas from others to continually improve our performance.
- **Partnering and Engaging:** We will partner with internal and external stakeholders to effectively deliver our sustainable procurement objectives to maximise the impacts of the Sustainable Procurement Policy.
- **Measuring and Reporting:** We will ensure we regularly report on our progress and achievements against our sustainable procurement objectives to the Global Operations Executive and the University Executive, as well as the relevant committees. We will continue to be monitored and measured under the Procurement and Commercial Improvement Programme (PCIP), an evidence-based assessment

every two years. We will also continue to produce an Annual Procurement Report on progress against the strategic objectives.

Our annual operational plans outline the detailed activities which support the delivery of this Sustainable Procurement Policy.

5. LEGISLATIVE REQUIREMENTS

The University has mandatory obligations in relation to sustainable procurement in the UK:

- The Climate Change Duties of Public Bodies: Reporting Requirements (Scotland) Order 2015 and Amendment Order 2020;
- Climate Change (Emissions Reduction Targets) (Scotland) Act 2019
- The Procurement (Scotland) Regulations 2016;
- The Public Contracts (Scotland) Regulations 2015; and
- The Procurement Reform (Scotland) Act 2014.

The UK Modern Slavery Act 2015 requires the University to publish a slavery and human trafficking statement detailing steps they have taken to eradicate slavery and human trafficking in their operations and supply chain. The University is committed to measuring and actively monitoring that modern slavery and human trafficking is not taking place in any parts of its operation within the University and its supply chain.

The Procurement Reform (Scotland) Act 2014 places sustainability at the forefront of public sector procurement via the Sustainable Procurement Duty [Section 9]. As part of the Act, the University also requires to compile and publish an Annual Procurement Report, which is to include a summary of any community benefits for regulated procurements and steps taken to facilitate the involvement of supported businesses in regulated procurements during the year.

6. RESPONSIBILITY

The responsibility for this policy is shared by the entire University community, at every level and across all Professional Services Directorates and Academic Schools. The University Court, Principal and University Executive are committed to its success.

7. SUPPORTING DOCUMENTATION

The following additional documents are available from Procurement Services:

- Procurement Strategy & Action Plan
- Modern Slavery and Human Trafficking Statement
- Supply Chain Code of Conduct
- Terms and Conditions of Contract

Annex A: Glossary

Term	Description
Centre of Expertise (CoE)	Procurement organisations which promote collaboration and publish framework agreements on behalf of particular sectors i.e. Scotland Excel for local authorities (councils); Advanced Procurement for Universities and Colleges (APUC) for higher and further education; NHS National Procurement (NSS) for Health; Scottish Procurement for the Scottish Government, its agencies and non-departmental public bodies
Community Benefits	Requirements that deliver wider benefits in addition to the core purpose of a contract. These can relate to social- economic and or environmental benefits. Community Benefits clauses are requirements that deliver wider benefits in addition to the core purpose of a contract. These clauses can be used to build a range of economic, social or environmental conditions into the delivery of institutional contracts.
Framework Agreement	An agreement or other arrangement between one or more authorities and one or more economic operators which establishes the terms (in particular the terms as to price and, where appropriate, quantity) under which the economic operator will enter into one or more contracts with a contracting authority in the period during which the framework agreement applies.
Procurement & Commercial Improvement Programme (PCIP)	The Procurement & Commercial Improvement Programme replaced the previous Procurement Capability Assessment (PCA) and focuses on the policies and procedures driving procurement performance and more importantly, the results they deliver.
Procurement Division (or Function)	The business management function that ensures identification, sourcing, access and management of the external resources that an organisation needs or may need to fulfil its strategic objectives.
Procurement Strategy	It is mandatory for a public sector organisation, which estimates it will spend greater than or equal to £5,000,000 on regulated procurements to publish a Procurement Strategy which is proportionate and relevant to its organisation.
Public Sector or Public Sector Body	All organisations which are subject to public procurement laws. This includes government, councils, universities and colleges, the NHS and registered social landlords.
Small Med Enterprise (SME)	<p>The category of micro, small and Med-sized enterprises (SMEs) is made up of enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding 50 million euro and/or an annual balance sheet total not exceeding 43 million euro.</p> <p>Encompass –</p> <ul style="list-style-type: none"> - Micro enterprises: enterprises which employ fewer than 10 persons and whose annual turnover and/or annual balance sheet total does not exceed £1.57 million. - Small enterprises: enterprises which employ fewer than 50 persons and whose annual turnover and/or annual balance sheet total does not exceed £7.86 million. - Med enterprises: enterprises which are neither micro nor small, which employ fewer than 250 persons and which have an annual turnover not exceeding £39.28 million, and/or an annual balance sheet total not exceeding £33.78 million.
Specification	How a Procurement Manager details what is required for the procurement of the goods or services being purchased.
Stakeholder	Any person or group who has a vested interest in the success of the procurement activity, i.e., either provides services to it, or receives services from it.
Supply Chain	All activities, resources, products etc. involved in creating and moving a product or service from the supplier to the procurer.
Supported Business	An organisation whose main aim is the social and professional integration of disabled and disadvantaged workers and where at least 30% of their workforce are classed as disabled or disadvantaged.

<p>Sustainable Procurement</p>	<p>Sustainable procurement can be defined as “the pursuit of sustainable development objectives through the purchasing and supply process. Sustainable procurement aims to make the best use of public money, helping the government achieve its overarching purpose and strategic objectives.” [Scottish Government (2016), Procurement Reform (Scotland) Act 2014: statutory guidance]</p> <p>The UN Marrakech Task Force definition of Sustainable Procurement is “Sustainable Procurement is a process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and the economy, whilst minimising damage to the environment.”</p>
<p>Tender</p>	<p>The term used to describe the procurement process of advertising, requesting and awarding a contract.</p>
<p>Value for Money</p>	<p>An economic assessment by the public sector as to whether a project represents value for money; the optimum combination of cost and quality to provide the required service.</p>
<p>Whole Life Costing</p>	<p>The costs of acquiring goods or services (including consultancy, design and construction costs, and equipment), the costs of operating it and the costs of maintaining it over its whole life through to its disposal – that is, the total ownership costs. These costs include internal resources and overheads.</p>