APUC Supply Chain Sustainability Policy

Vision

APUC aims to be a leader, on behalf of client institutions, in driving forward the sustainable procurement agenda (please see Appendix 1 for the commonly understood definition of sustainable procurement), delivering best value for institutions whilst being committed to embedding and effecting advanced sustainable procurement. APUC shall, with the help of its client institutions’ collaborative buying power, strive to bring about positive impacts on supply chain sustainability, reaching as far into its supply chain as reasonably possible.

Objectives

In order to enable our client institutions to use our agreements confidently in the knowledge that issues relating to social responsibility, ethical, economic and environmental impact have been addressed to an acceptable level, or better, APUC shall:

- Ensure its agreements remain fully EU compliant, but strongly focus on sustainable considerations wherever practicable and legal
- Establish materially effective minimum standards for supplier sustainability compliance
- Develop a full understanding of the level of supply chain sustainability within its supply base
- Promote adherence to the United Nations (UN) 10 principles of the Global Compact (Appendix 1)
- Support the Scottish Government’s Sustainable Procurement Action Plan and assist institutions to achieve a step change on the Scottish Sustainable Procurement Flexible Framework (Appendix 2)
- Manage tendering and lotting strategies that ensure fair access to contracting opportunities for businesses of all appropriate sizes and organisation types wherever relevant
- Mitigate supply chain sustainability risks, and exploit the opportunities
- Develop, and disseminate, the APUC Code of Conduct (Appendix 3)
- Baseline and then manage continuous improvement in sustainable procurement by working with the supply chain
- Foster product and/or process innovation through supply chain collaboration
- Promote use of, and compliance to, these objectives by client institutions

Scope

This policy intends that we will exceed the normal definition of Sustainable Procurement and carry out the procurement of goods and services in such a manner as to minimise any negative environmental, ethical, economic or social impact, and 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.

APUC tenders and manages Agreements on behalf of Scottish Universities and Colleges (and in some instances for other consortia/Centres of Expertise and their members across the UK) for a wide variety of goods and services. Within these agreements, sustainability impacts can cover (but are not limited to):

Social Impacts: labour standards, human rights, child labour, forced labour, discrimination, equality, health and safety, free education

Environmental Impacts: carbon emissions, carbon management, waste management, water management, pollution, technological improvements

Ethical and Economic Impacts: fraud, trade issues, corruption, poverty and low wages, bribery

APUC shall ensure delivery of this Policy through implementation of its Supply Chain Review and Audit Strategy and through communication of and adherence to its Supply Chain Code of Conduct.
Appendix 1

A) **Definition of “Sustainable Procurement”**

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.”

B) **The 10 Principles of the UN Global Compact**

UN Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment and anti-corruption:

**Human Rights**

- **Principle 1**: Businesses should support and respect the protection of internationally proclaimed human rights; and
- **Principle 2**: make sure that they are not complicit in human rights abuses.

**Labour**

- **Principle 3**: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- **Principle 4**: the elimination of all forms of forced and compulsory labour;
- **Principle 5**: the effective abolition of child labour; and
- **Principle 6**: the elimination of discrimination in respect of employment and occupation.

**Environment**

- **Principle 7**: Businesses should support a precautionary approach to environmental challenges;
- **Principle 8**: undertake initiatives to promote greater environmental responsibility; and
- **Principle 9**: encourage the development and diffusion of environmentally friendly technologies.

**Anti-Corruption**

- **Principle 10**: Businesses should work against corruption in all its forms, including extortion and bribery.
### Appendix 2 – Scottish Sustainable Procurement Flexible Framework

<table>
<thead>
<tr>
<th>Flexible Framework</th>
<th>Foundation Level 1</th>
<th>Embed Level 2</th>
<th>Practice Level 3</th>
<th>Enhance Level 4</th>
<th>Lead Level 5</th>
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</thead>
<tbody>
<tr>
<td><strong>People</strong></td>
<td>Sustainable procurement champion identified. Key procurement staff have received basic training in sustainable procurement principles. Sustainable procurement is included as part of a key employee induction programme.</td>
<td>All procurement staff have received basic training in sustainable procurement principles. Key staff have received advanced training on sustainable procurement principles.</td>
<td>Targeted refresher training on latest sustainable procurement principles. Performance objectives and appraisal include sustainable procurement factors. Simple incentive programme in place.</td>
<td>Sustainable procurement included in competencies and selection criteria. Sustainable procurement is included as part of employee induction programme.</td>
<td>Achievements are publicised and used to attract procurement professionals. Internal and external awards are received for achievements. Focus is on benefits achieved. Good practice shared with other organisations.</td>
</tr>
<tr>
<td><strong>Policy, Strategy &amp; Communications</strong></td>
<td>Agree overarching sustainability objectives. Simple sustainable procurement policy in place endorsed by CEO. Communicate to staff and key suppliers.</td>
<td>Review and enhance sustainable procurement policy, in particular consider supplier engagement. Ensure it is part of a wider Sustainable Development strategy. Communicate to staff, suppliers and key stakeholders.</td>
<td>Augment the sustainable procurement policy into a strategy covering risk, process integration, marketing, supplier engagement, measurement and a review process. Strategy endorsed by CEO.</td>
<td>Review and enhance the sustainable procurement strategy, in particular recognising the potential of new technologies. Try to link strategy to EMS and include in overall corporate strategy.</td>
<td>Strategy is: reviewed regularly, externally scrutinised and directly linked to organisations’ EMS. The Sustainable Procurement strategy recognised by political leaders, is communicated widely. A detailed review is undertaken to determine future priorities and a new strategy is produced beyond this framework.</td>
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<tr>
<td>Procurement Process</td>
<td>Expenditure analysis undertaken and key sustainability impacts identified. Key contracts start to include general sustainability criteria. Contracts awarded on the basis of value-for-money, not lowest price. Procurers adopt Quick Wins.</td>
<td>Detailed expenditure analysis undertaken, key sustainability risks assessed and used for prioritisation. Sustainability is considered at an early stage in the procurement process of most contracts. Whole-life-cost analysis adopted.</td>
<td>All contracts are assessed for general sustainability risks and management actions identified. Risks managed throughout all stages of the procurement process. Targets to improve sustainability are agreed with key suppliers</td>
<td>Detailed sustainability risks assessed for high impact contracts. Project/contract sustainability governance is in place. A life-cycle approach to cost/impact assessment is applied.</td>
<td>Life-cycle analysis has been undertaken for key commodity areas. Sustainability Key Performance Indicators agreed with key suppliers. Progress is rewarded or penalised based on performance. Barriers to sustainable procurement have been removed. Best practice shared with other organisations.</td>
</tr>
<tr>
<td>Engaging Suppliers</td>
<td>Key supplier spend analysis undertaken and high sustainability impact suppliers identified. Key suppliers targeted for engagement and views on procurement policy sought.</td>
<td>Detailed supplier spend analysis undertaken. General programme of supplier engagement initiated, with senior manager involvement.</td>
<td>Targeted supplier engagement programme in place, promoting continual sustainability improvement. Two way communication between procurer and supplier exists with incentives. Supply chains for key spend areas have been mapped.</td>
<td>Key suppliers targeted for intensive development. Sustainability audits and supply chain improvement programmes in place. Achievements are formally recorded. CEO involved in the supplier engagement programme.</td>
<td>Suppliers recognised as essential to delivery of organisations’ sustainable procurement strategy. CEO engages with suppliers. Best practice shared with other/peer organisations. Suppliers recognise they must continually improve their sustainability profile to keep the clients business.</td>
</tr>
<tr>
<td>Measurements &amp; Results</td>
<td>Key sustainability benefits of procurement activity have been identified.</td>
<td>Detailed appraisal of the sustainability benefits of the procurement activity has been undertaken. Measures implemented to manage the identified high risk impact areas.</td>
<td>Sustainability measures refined from general departmental measures to include individual procurers and are linked to development objectives.</td>
<td>Measures are integrated into a balanced score card approach reflecting both input and output. Comparison is made with peer organisations. Benefit statements have been produced.</td>
<td>Measures used to drive organisational sustainable development strategy direction. Progress formally benchmarked with peer organisations. Benefits from sustainable procurement are clearly evidenced. Independent audit reports available in the public domain.</td>
</tr>
</tbody>
</table>
APUC and its client community of Colleges and Universities is committed to carrying out procurement activities in an environmentally, socially, ethically and economically responsible manner and to entering into agreements and contracts with suppliers that share and adhere to its vision. To demonstrate this commitment, current and potential suppliers are asked to acknowledge their compliance with the principles of the APUC Supply Chain Code of Conduct, below, with respect to their organisation and their supply chain.

With respect to Social Compliance Suppliers shall:

Not use forced, involuntary or underage labour

- Employees should be free to choose their employment and leave that employment without hold by financial deposit or personal items.
- Forced, bonded or involuntary prison labour shall not be used.
- Support the effective abolition of child labour.
- Comply with the national minimum age for employment, or minimum age 15, whichever is the higher unless a lower local minimum age is permitted under International Labour Organisation (ILO) convention 138.
- Where any child is found to be engaged in or performing child labour, to provide support for that child to enable them to complete, as a minimum, their compulsory education (even if they shall cease to be involved in child labour), or an equivalent education level, as provided for under the UN Covenant on Economic, Social and Cultural Rights. Such support by the supplier should recognise and not prove detrimental to the conditions of the child or those that their work supports.

Provide suitable working conditions and terms

- At least statutory minimum wages (or if none, a realistic living wage) must be paid without discrimination to all employees and all non-statutory deductions must be with the consent of the employee.
- Working hours must not be excessive (not over 48 hours per week, excluding overtime) and must allow for at least 1 day off for each 7 day period on average. Working beyond this should be non-regular and of employees own will.
- A safe and hygienic working environment must be provided, including any catering or accommodation areas. Any hazardous working, as defined by ILO, should only be carried out by persons aged 18 years or over.
- All equipment must be safe for use and processes must allow a safe working environment.
- Policies and processes must be in place for recording and eliminating occurrence/reoccurrence of health and safety related incidents.

Treat employees fairly

- Allow employees the freedom of association to join (but not be forced to join), or be represented by, a trade union or similar organisation of their choice, and be free to leave such organisations.
- Not discriminate or unfairly treat any employee for any reason including education, social class / caste, nationality, trade union membership or any of the 9 Protected Characteristics of the UK Equality Act 2010.
- Provide a workplace free from discrimination, harassment or victimisation.
- Treat all employees with respect and dignity, and not accept inequality as justifiable on a basis of culture.
- Remunerate all employees equally at the same employment grade, regardless of any characteristics listed above, unless statutory conditions require otherwise.
With respect to **Ethical Compliance & Economic Development** Suppliers shall:

- As a minimum, comply with all laws and regulations of the countries they are working in, manufacturing in or trading with, as applicable.
- Not be involved in any way with acts of corruption or bribery, or support acts of violence or terrorism or abuse of individual people or communities.
- Not force unsustainable or unfair contract terms on their suppliers, or throughout their supply chain, nor allow unfair exploitation of a dominant market or customer position.
- Support fair trade conditions for producers, where applicable.
- As a minimum, comply with all financial regulations and taxations of the countries they are working in, manufacturing in or trading with, as applicable.
- Include community benefit delivery in the locality of where the contract is performed (including publishing and delivering levels of local training and employment opportunities etc.).
- Appoint sub-contractors through an open and fair process such as public advertising of such opportunities wherever possible.
- Act at all times with respect and integrity, including open and transparent accounting.
- Allow staff protection if reporting misconduct or raising concerns with respect to their own, or another organisation, and ensure all affected staff are treated in a fair and transparent manner.

With respect to **Environmental Compliance** Suppliers shall:

- As a minimum, comply with all local and national environmental laws, regulations and directives of the countries they are working in, manufacturing in or trading with, as applicable.
- Actively avoid causing environmental damage and/or negative environmental impact through manufacture and supply of the goods or services and disposal of supply chain waste.
- Have a business plan in place, and be acting on it, to minimise their environmental impact year on year and adopting or working towards internationally recognised environmental standards and/or behaviours.
- Encourage the development and use of environmentally friendly technologies.
- Promote positive environmental impacts (such as reduced carbon emissions, better carbon management, waste management and water management, reduced pollution levels and technological improvements) through their activities wherever possible.

I, the undersigned, acting as a representative of the Company, hereby confirm that the Company adheres to the APUC Code of Conduct and shall ensure its supply chain adheres to the Code of Conduct also, in order to enforce and promote sound social, ethical, environmental and economic practises.

Signed ......................................................................................................................................................
Name of Company....................................................................................................................................
Position.....................................................................................................................................................
Date...........................................................................................................................................................
Appendix 4

ILO Convention Number 138 – Minimum Age Convention


Appendix 5

The Equality Act 2010 – 9 Protected Characteristics

- Age
- Disability
- Gender reassignment
- Marriage and civil partnership
- Pregnancy and maternity
- Race
- Religion and belief
- Sex
- Sexual orientation