

# Sustainable Procurement Policy

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## Contents

### Contents

Section 1 – Introduction, Purpose and Scope .....	3
1. Introduction .....	3
2. Scope and principles.....	3
3. What is Sustainable Procurement? .....	3
4. Responsibilities .....	3
Section 2 – Benefits of Sustainable Procurement.....	4
Section 3 – Commitment.....	4
Section 4 – Objectives and Exceptions .....	5
1. Objectives .....	5
2. Exceptions .....	5

## Section 1 – Introduction, Purpose and Scope

### 1. Introduction

This policy sets out the general principles that Borchard Lines (BL) will follow across all of its procurement and commissioning activities to ensure that it is undertaken in a sustainable manner.

It sets out how BL will plan and manage its procurement activities to meet its corporate aims and objectives and comply with regulatory and legislative requirements.

BL recognises its role is to protect the environment now and for the future. We are therefore committed to understanding and managing the environmental, economic and social impacts of our operations through the delivery of sustainable solutions. This Policy seeks to embed the consideration of social, environmental and economic impacts as factors in decisions made by staff, contractors or other third parties.

### 2. Scope and principles

This policy applies to and is for all employees of Borchard Lines Ltd at both our Head Office and all local offices within the operating region.

The Policy will be reviewed either an annual basis, or if there is any significant change to the activities or operations of the organisation, to keep the policy up to date.

### 3. What is Sustainable Procurement?

- Sustainable Procurement is a process whereby organisations meet their needs for goods, services and works in a way that achieves value for money on a whole life basis and generates benefits not only to the organisation, but also to society, the economy and the environment'.
- Sustainable procurement considers the social, economic and environmental consequences of what is procured through all stages of its life-cycle. This includes considering design, resource extraction and sourcing, manufacturing and production, transportation, service delivery, operation and maintenance, reuse, recycling and disposal. It is also about questioning whether the purchase is required to be made at all.
- Sustainable procurement also considers the capacity of suppliers to address these consequences throughout the entire supply chain.

### 4. Responsibilities

The person responsible for and owner of this policy is the Borchard Lines Chartering Manager.

Line management is generally responsible for the application of this policy along with individual employees. Any incidents should be reported to the Chartering Manager. This Policy has the complete support of the Board of Directors and the Management team of Borchard Lines Ltd.

## Section 2 – Benefits of Sustainable Procurement

BL recognises and wishes to maximise the benefits achievable through sustainable procurement. Sustainable procurement can deliver additional benefits while contributing to the social, economic and environmental well-being of people and places. For example sustainable procurement will enable BL to:

- Achieve value for money by avoiding unnecessary purchasing, by considering and then lowering the whole life costs of goods, services and works and through improved resource efficiency.
- Report on progress towards meeting its legal duties and other obligations in relation to climate change and sustainable development.
- Stimulate the market and encourage innovation for sustainable products and services.
- Support the local supply community by engaging with Small and Medium Enterprises and Third Sector organisations so they can compete for BL contracts.
- Help build a sustainable supply chain for the future and improve supplier relationships.

## Section 3 – Commitment

Through this procurement policy, we intend to make our operations more sustainable by:

- Upholding the laws and regulations of the respective countries we operate in
- Endorsing highest standards of economic, social, ethical and environmental practices
- Identifying and moderating risks associated with our procurement process
- Communicating the policy with stakeholders (internal and external) and raising awareness among our suppliers

In accordance with our commitment to the highest standards, we also expect our suppliers to aspire to the same standards in their business operations, including but not limited to:

### **Business Ethics:**

- Obey all relevant international and domestic laws regarding ethical business practices
- Demonstrate existence of procedures to prevent: – Money laundering – Fraud, bribery, corruption – Conflicts of interest – Data security issues

**Labour and Human Rights:**

- Comply with all applicable laws, in accordance with the principles of the International Labor Organization, the UN Global Compact and the UN Universal Declaration of Human Rights
- Prohibit slavery and the use of forced, bonded, or child labor across the supply chain
- Prohibit unlawful discrimination and harassment to provide a safe and inclusive work environment

**Environment:**

- Comply and adhere to all the applicable environmental laws in respective countries/jurisdiction
- Undertake initiatives to promote greater environmental responsibility such as: – Responsible waste management and disposal – Reduction of greenhouse gas and other emissions harmful to the environment – Conservation of non-renewable natural resources

**Community Development:**

- Provide employees with a living wage, at a minimum

## **Section 4 – Objectives and Exceptions**

### **1. Objectives**

Borchard Lines will look to apply quantitative targets to ensure conformance with this policy is maintained. These will be held and recorded in the “*Sustainability Objectives Matrix*” and will be reported on and regularly reviewed at each Quality Management Review meeting.

### **2. Exceptions**

No exemptions from this policy can be granted unless there are exceptional circumstances, or the policy is obviously not applicable. Any request for an exception must be made in writing to the Chartering Manager who will assess and decide on each request individually. Each exception granted will be logged and documented.