

Sustainable Procurement Policy



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1. Introduction

Stelrad Group plc (“the Group”) believes that sustainable procurement is about working with the supply chain to ensure that the company’s needs are met in a way that also addresses environmental and social considerations and brings wider long-term benefit.

It is the Group’s policy to practice continuous improvement in understanding and reducing any adverse environmental or social impacts of its purchasing. In all its procurement activities, the Group will comply with all applicable laws, statutes, regulations and codes in force in the UK and in each country of operation across the Group. Furthermore, the Group will conduct all procurement in a way that is aligned to the organisation’s values.

2. Purpose

The purpose of this policy is to ensure that the Group’s procurement activities result in the best combination of whole-life costs and benefits by considering appropriate environmental, social and economic factors in all purchasing decisions. This will be achieved through collaboration with suppliers, subcontractors and employees.

3. Scope

This policy applies to all employees within the Group, wherever located, and covers all types of procurement activity. It is not intended to replace specific national policies which have been developed to ensure compliance with local legislation, however, it should be seen as an overarching supplementary policy which establishes the minimum standards expected by the Group. Local policy must be reviewed and updated in line with this policy. In addition, this policy must be observed by all agency staff, contractors, consultants and any other individual working for, at, or on our behalf.

In addition to this policy, each Business Unit maintains a supplier code of conduct, which sets out in more detail the standards required of our suppliers.

Responsibility for all Group policies and procedures sits with the Group Board, who may review and implement changes at any time where this could further the achievement of our sustainable procurement objectives. The implementation of this policy is the collective responsibility of all Group employees, suppliers and subcontractors.

4. Our Principles

The objectives of the Group’s sustainable procurement activities are to achieve the below:

Human rights and labour standards

- Work with suppliers and subcontractors who share our commitment to respecting, protecting and promoting human rights.

- Require suppliers and subcontractors to provide, when asked, a copy of their Modern Slavery Statement, or other document detailing the steps taken to ensure that labour exploitation or modern slavery does not take place within their operations or supply chains.
- Proactively tackle modern slavery and labour exploitation and work to eliminate these practices in our supply chain.
- Work with suppliers who actively manage diversity and inclusion in their workforce and encourage all suppliers to promote these values.
- Offer small and medium enterprises, social enterprises and local businesses the opportunity to participate in our supply chain.

Environment, energy and carbon

- Protect nature, support healthy, resilient habitats and deliver net gains in biodiversity.
- Reduce the energy use in our operations and our supply chain, including a focus on Scope 3 carbon emissions.
- Increase the use of low- and zero-emission transport methods, including electric and alternative-fuel vehicles.
- Employ strategies to limit the number of delivery miles taken, through purchasing minimum quantities, aggregating orders and sourcing locally.

Materials and resources

- Seek improvements in efficiency and reductions in materials consumption.
- Reduce usage of single-use plastic by identifying alternatives, both in materials procured for use by the Group, and in inbound packaging.
- Increase the proportion of inputs that are made from recycled materials.
- Increase the end-of-life recyclability of products and packaging.
- Increase sourcing of timber and paper products from either recycled or responsible and sustainable sources, certified by FSC or another credible thirdparty certification scheme.

Sustainability

- Encourage suppliers to maintain documented health and safety, environmental, energy and quality management systems and to have these certified where applicable by a relevant standards board (e.g., BSI).
- Improve the combined capability of the supply chain to increase sustainability.
- Increase the use of specific clauses in procurement contracts that encourage positive environmental or social outcomes.

In addition, the implementation of this policy is guided by a set of principles that apply to all procurement activities:

- The Group works with suppliers and subcontractors from a position of trust, honesty and mutual respect. We are committed to treating suppliers fairly and abiding by our contractual obligations and expect our suppliers to apply the same principles in their dealings with others.
- All procurement activities will comply with all applicable laws, statutes, regulations and codes in force in the UK and in each country of operation across the Group.

- All suppliers to the Group must indicate their acceptance of the standards published in this and other Group policies by signing and returning a supplier code of conduct. Any supplier not agreeing to the code of conduct will be removed as a supplier to the Group.
- Key suppliers will be the subject of regular audits assessing aspects such as human rights, ethics, health & safety and environmental performance. These audits will be conducted through a combination of remote and on-site contact. Where suppliers are found to be below the expected standard, the Group will issue an improvement notice and will work with the supplier to reach the required standard. If acceptable improvement is not seen within agreed timescales, the continuing supply of the Group will be reviewed.

Policy review

The Group sustainability team will review the implementation of this policy, regularly considering its suitability, adequacy and effectiveness. Any improvements identified will be made as soon as possible and approved by the Board. Additionally, the document will be reviewed and approved every two years.

Responsibility for document: Group Sustainability Team
Effective date: October 2023
Frequency of review: Every two years
Next review date: October 2025

Version control

Date	Version	Reason for change	Author
October 2023	1.0	Initial release	Group Sustainability Team