

1. Introduction

The Board of Directors of Whippendell Electrical Ltd. & Whippendell Marine Ltd., as part of their commitment to Corporate Social Responsibility and the Environment, have developed a Sustainable Procurement Policy to ensure, where practicable, that the goods and services purchased by the Group :

- Are manufactured, delivered, used and disposed of in an environmentally and socially responsible manner and;
- Deliver long term value for money for the Companies and their customers as a whole.

Because of the nature of the Group's business it can be restricted on the sources for many of the items it purchases, and in some cases there is no option, however the policy will be applied where it is possible to do so.

2. Key Sustainability Objectives

Buying more sustainably offers potential whole life cost savings, supports our commitment to Good Corporate Citizenship, safeguard our reputation as a responsible Company and assists our Customers in achieving their Sustainable Procurement policy objectives.

The key objectives addressed by this policy are:

- Reducing fossil fuel usage to minimise climate change
- Reducing usage of hazardous materials
- Reducing waste
- Ensuring fair pay and working conditions throughout our Supply Chain
- Complying with current and anticipating future legislation

The Company will define measures relating to each of these objectives.

3. Scope

This policy applies to all purchasing activities within the Companies.

4. **Key Policy Principles**

4.1. Spend Analysis and Prioritisation

The Group will analyse its spending across key procurement categories, with respect to the following criteria :

- Level of spend
- Level of purchasing activity
- Level of risk against each sustainability objective
- Scope for improvement
- Level of influence

This will be used to prioritise categories for sustainability improvement activities.

4.2. Demand Review

Where appropriate and cost effective to do so, prior to any purchasing process, buyers will review the aggregate requirement to minimise volume, scale, costs and environmental impact.

Buyers will establish that:

- There is a genuine need for the purchase.
- All cost effective opportunities for products to be shared, upgraded, refurbished, leased or delivered as a service have been exploited.
- The product will be used efficiently, minimising waste.
- The stock levels and forecast requirements are accurate.

4.3. Whole Life Costing

Where relevant and appropriate, buyers will evaluate all purchase requirements on the basis of long term value for money, using whole life costing to assess:

- Purchase, installation, transportation and commissioning costs.
- Operating costs, including labour, maintenance, re-processing, energy, water and consumables usage.
- Management costs, including staff training, insurance, health and safety and environmental costs.
- Disposal costs.

This approach should be used for all capital investments, waste contracts and where comparing consumables against reusable alternatives.

4.4. Local Business Engagement

To increase the level of orders awarded to local businesses, where possible the Group will procure from Companies based within the local area. This provides benefits to the local economy and helps reduce the environmental impact of transport.

4.5. Supply Chain Relationship

The Group aims to assist its Customers to meet their Sustainable Procurement objectives.

This will be achieved by working closely with Key Suppliers and Customers in a flexible and open manner in order to identify opportunities for Continuous Improvement, which can lead to increased levels of Sustainability.

The Group will work with its Key Suppliers to be innovative in offering cost effective and sustainable solutions to its Customers.

The Group will recognise Sustainable Procurement Policies, Environmental Policies and Corporate Social Responsibility Policies in its Approved Supplier assessments.

4.6. Training and Implementation

Through its training needs analysis, the Group will identify training requirements for all relevant employees.

Sustainable Procurement will be incorporated in to the induction, job descriptions, objectives and recruitment criteria for all relevant staff.

4.7. Communication & Reporting

This policy will be made available on the Group internal intranet and on the Group Company websites.

To communicate this policy to suppliers, reference will be placed on all Purchase Orders and Enquiries to the Group websites, where to suppliers can access the policy.

All employees will be advised of the policy and where it can be accessed.

We will recognise those suppliers whose products and services offer the greatest sustainability improvements.

5. Policy Development

This policy will be reviewed on an annual basis and updated in line with new policies and legislation.



D.G.H. Swabey,
Group Managing Director

For & On Behalf of Whippendell Electrical Ltd. & Whippendell Marine Ltd.

Dated : 12th July 2012