

PROCUREMENT POLICY

Version 1.0 – July 2024



1.0 POLICY STATEMENT

It is the policy of The Phoenix Artist Club Ltd (PAC) to practice a continuous improvement approach to understanding and taking appropriate responsibility for any adverse environmental, social, and economic impacts of its purchasing. In doing so, the PAC shall consider impacts on a life-cycle basis and prioritise actions according to: alignment with our values, magnitude of impact, and compliance with any applicable regulations.

2.0 PURPOSE

This Policy is adopted in order to align the PAC's purchasing with its social equity values and goals and equal opportunity policies. In doing so, the PAC seeks to harness the influence of its purchasing to support markets for, and increase accessibility to more sustainable goods and services. SME applicants will be encouraged and supported in accordance with the recommendations of The Federation of Small Businesses (FSB) of which the PAC is a member.

3.0 APPLICABILITY

This policy applies to all types of funded procurements and to all PAC employees. Specific employee roles, responsibilities, and expectations are further described within this policy.

4.0 POLICY IMPLEMENTATION

In order to practice a continuous improvement approach to understanding and taking appropriate responsibility for reducing the adverse environmental, social, and economic impacts of its purchasing, this policy introduces the following -

1. Core Principles. These establish overarching sustainable procurement strategies to implement over time. They provide value-aligned direction to take into account during project and program planning, and direction from which to build minimum requirements and best practices.

2. Minimum Requirements. These are the specific mandatory requirements for a particular good or service category. They are the actions that support sustainable procurement.

3. Leadership Opportunities. These are developed to identify opportunities for continuous improvement among stakeholders. They identify how to go beyond Minimum Requirements in a particular good or service category to further reduce adverse impacts.

All PAC employees shall consider the Core Principles and follow the Minimum Requirements when planning and designing projects, developing project and operations budgets, writing product and service specifications, selecting materials, making purchasing or supplier decisions, and developing and managing PAC contracts and price agreements as applicable to their roles and responsibilities and/or to a specific project.

5.0 CORE PRINCIPLES

For any of the following Core Principles it is understood that they shall be undertaken in conjunction with traditional purchasing considerations, such as budget, product/service performance requirements, and availability.

PAC Core Principles provide direction for decision making achieved through the Minimum Requirements, but also as needed in the absence of specific Minimum

Requirements. Prior to making new purchases, employees are also expected to consider: the need for the purchase; can we repurpose existing equipment. opportunities to extend the life of the existing item or material; and meeting the operational need through a different means (e.g. renting vs. purchasing).

1. Utilise processes, technologies, products, or services that reduce consumption of natural resources or chemicals.
2. Employ processes, technologies, products, or services that reduce waste.
3. Invest in energy and fuel-efficient products, services, and technologies that result in simple paybacks of in 5-10 years or less, based on Total Cost of Ownership.
4. Invest in processes, technologies, products, or services that reduce the sourcing and use of Carbon-Based Fuels.
5. Seek processes, technologies, products, or services that support a Circular Economy.
6. Seek processes, technologies, products, or services that support biodiversity and healthy, resilient natural habitats.
7. Seek out, specify, and purchase products with lower Embodied Carbon than the status quo.
8. Seek out, specify, and purchase products that minimise exposure of Substances of Very High Concern to people and the environment.
9. Consciously design procurement processes and related programming to support a diverse contractor base, including small, minority, and/or women-owned businesses in keeping with FSB best practices.
10. Seek out processes, technologies, goods, or services that support transparency in the PACs supply chain or product disposal endpoints regarding compliance with environmental regulations and Core Labour and Human Rights in the Workplace.
11. When using social or environmental product labels, seek out social/ecolabels that demonstrate that the product or service was independently certified to a reputable third-party environmental and/or social product or service

6.0 MINIMUM REQUIREMENTS

Minimum Requirements and associated Leadership Opportunities for a specific good or service category shall be defined and communicated through the PACs Sustainable Purchasing Guide. The Sustainable Purchasing Guide shall be maintained and updated by the PAC Managing Director and Financial Director as needed to keep content current. The Sustainable Purchasing Guide shall be posted at www.phoenixartsclub.com

7.0 SUSTAINABLE PURCHASE GUIDE

What is sustainable procurement?

Sustainable procurement is about taking environmental, social and economic factors into account in purchasing decisions. It is the process by which the PAC buys goods and services taking into account a number of factors including:

- Value for money considerations such as price and quality
- Whole life cost

- Environmental aspects
- Social aspects
- Sustainable or recycled materials/products

The aim of sustainable procurement is to integrate environmental, social, ethical and economic considerations into the purchasing process with the goal of reducing adverse impacts on the environment. It forms a key part of an overall push for sustainable development by the PAC.

Reasons for purchasing sustainable goods and services?

Buying in a sustainable manner can help to:

1. Achieve best value for money – by taking whole life costs into account
2. Reduce carbon foot print
3. Stimulate the market for sustainable technologies
4. Maintain and improve our standard of living
5. Improve health and the environment
6. Save money

Principles of sustainable procurement?

The PAC considers the 4 R's (Reduce – Reuse – Recycle - Rethink) before entering into a procurement process.

REDUCE

Reducing unnecessary purchasing is the best way to integrate sustainability into procurement:

Ensure products are definitely needed

Ensure products are fit for the purpose to avoid costly and wasteful mistakes

Ensure products are durable and covered by a long warranty

Ensure packaging is the minimum necessary for protection

Avoid disposable products designed for single use

REUSE

Find out if there is redundant equipment which could be put to use

Specify goods which are repairable and easily upgraded

Specify goods which come with clear and comprehensive maintenance, repair and operating instructions and which are supported with guaranteed stocks of easily replaceable parts

Consider suppliers that operate take back schemes for end of life equipment and packaging.

RECYCLE

Specify products made from recovered or recyclable materials

Purchase products on which the materials are identified for ease of recycling.

Wherever possible, avoid products made from mixed materials as these are more difficult to recycle.

RETHINK

Sometimes the way we do things requires a complete rethink. For example:

Have all products been considered? Does our choice provide the right benefits and timing at the right costs? Are the risks and uncertainties acceptable?

It is feasible to join other organisations in a collaborative approach and use the extra buying power to promote environmental alternatives and establish good deals with suppliers?

What is a sustainable product?

A sustainable product can be described as being:

- Durable, easily upgraded and repairable
- Energy efficient and resource efficient
- Ethically sourced
- Fit for purpose and provides value for money
- Made with maximum use of post consumer materials
- Made with minimum use of virgin materials
- Non (or reduced) polluting
- Reusable and recyclable

Below are some of the many standards and symbols that are widely used and recognised in the UK and globally:



Swedish Standards Institution (Nordic Swan)

The Swan logo demonstrates that a product is a good environmental choice. The green symbol is available for around 60 product groups for which it is felt that eco-labelling is needed and will be beneficial. These days, everything from washing-up liquid to furniture and hotels can carry the Swan label.



European Union Eco-labels (EU Flower)

The EU Eco-labels are awarded to products to certify that they are considered to be more environmentally sound than similar products in the same product group. The flower symbol can be found across Europe on a wide range of products, including white goods, paints and varnishes, paper products, soil improvers, detergents, textiles, footwear and lightbulbs.



Energy Saving Trust

This consumer focused logo appears on a range of products including electrical and white goods (fridges, freezers, dryers, washers, light bulbs, gas boilers etc). It rates appliances on a scale of 'A' to 'G' with 'A' being the most energy efficient.



The Carbon Trust

The Carbon Trust is an independent company funded by Government. Its role is to help the UK move to a low carbon economy by helping business and the public sector reduce carbon emissions now and capture the commercial opportunities of low carbon technologies.



Forestry Stewardship Council (FSC)

The Forest Stewardship Council (FSC) is an international network to promote responsible management of the world's forests. FSC brings people together to find solutions to the problems created by bad forestry practices and to reward good forest management.

The FSC logo identifies paper products that are sourced from sustainable managed forests,



Soil Association

The UK's leading environmental charity promoting sustainable, organic farming and championing human health. Since 1946 it has been working to raise awareness about the positive health and environmental benefits of organic food and farming and supporting

farmers in producing natural food consumers can trust.

The Soil Association symbol can be found on over 70% of Britain's organic produce.



The FAIRTRADE mark is an independent consumer label which

appears on products as an independent guarantee that producers in the developing world are getting a better



Red Tractor

Works with around 350 independent assessors who between them, carry out more than 60,000 checks per year on farms, in places that prepare and/or sell food and other businesses in the food chain to ensure that rigorous standards are maintained at every key stage.

8.0 PROCUREMENT PROCESS.

Purchasers are advised to consider environmental and sustainability issues as early as possible in the procurement process, as this is the point when greater influence can be exerted on the process, and where the strongest opportunities for achieving sustainable procurement can be found.

Stage 1 - Identify the need

The process of identifying the need is the most important point in the procurement process for considering environmental and sustainability issues. You may want to question whether the purchase is really essential, or could use be made of an existing product or a more environmentally friendly product or service. Working with

potential suppliers at this stage can also be beneficial and lead to, for example, reduced or returnable packaging, minimised road transport and more environmentally friendly production processes.

Stage 2 – Specification

Consideration needs to be given to the way goods/services are specified in tender documents. Environmental requirements can be included in contracts provided that they:

- Apply equally to all tenderers
- Are appropriate and relevant to the product or service required
- Are not anti-competitive or specify branded products
- Are included in the tender documents
- Use a recognised European Standard

Stage 3 - Choosing suppliers

In choosing suppliers, care must be taken to ensure all potential suppliers are treated fairly and that they are each assessed using the same criteria.

Potential suppliers should demonstrate that they take a serious commitment to protecting the environment in their systems and processes.

Stage 4 - Awarding the Contract

The PAC will consider factors other than price alone, using ‘the most economically advantageous tender’ option. This allows the evaluation of bids using a range of criteria for example: cost, quality, technical merit, environmental characteristics, aesthetic and functional characteristics and running costs etc, all of which can have a direct impact on the environment. In assessing bids, the ‘whole life cost’ of goods/services should be taken into account.

Stage 5 - Managing the contract

The contract forms the framework within which both parties can work together for continuous improvement and mutual benefit. The process of contract management involves monitoring the contractor’s performance against the standards laid down in the contract conditions and specification.

Contract conditions can be used to set environmental and/or sustainability targets for performance of the contract, whereby both parties can work together on continuous improvement to performance. For example, reducing transportation, re-working the procurement chain to remove wasteful processes, increasing the recycled content of products, minimising packaging or using only returnable packaging materials.

Good Practice

The PAC will -

1. Encourage suppliers and contractors to consider the major impacts of their products and services, and if necessary, to offer more sustainable alternatives.
2. Specify clearly what is wanted. Environmental standards can be set as part of the specifications, for example the use of recycled materials, energy efficiency or the ability of products to be recycled or reused.
3. Specify that sustainable goods and services can be provided, for example that all timber used is independently certified to be from a sustainable source.

4. Do not specify sustainable products by brand name, particular brands may only be available from one source and this would be anti-competitive. Instead specify what a product does, as this will allow all contractors equal opportunity to supply products that meet the specification.

5. Ask suppliers to advise on alternative products or methods that may be more sustainable.

Whole life cost

Whole life costing means taking into account the total cost of the product over its lifetime. The main environmental impacts of products occur at different times throughout their lifecycle. For some products, such as a plastic chair, the main impacts arise in the production and disposal whereas a fridge or freezer, which uses electricity, has impacts all the way through its life.

There are a number of recognised standards that can help assist with lifecycle analysis, such as energy efficiency ratings, environmental friendliness, recycle materials content etc.

Working with Small and Medium –sized Enterprises (SMEs) and local suppliers

The PAC is striving to work with local SMEs and to open up greater opportunity for them to do business with the PAC.

Ethical purchasing

Procuring ethically is about buying things that are made ethically by companies that act ethically. Ethical can be a subjective term both for companies and consumers, but in its truest sense means without harm to or exploitation of humans, animals or the environment.

8.0 ROLES AND RESPONSIBILITIES

1. The Managing/Financial Directors shall periodically bring together stakeholders to review and update this policy.
2. The Managing/Financial Directors are responsible for developing and maintaining up-to-date Minimum Requirements & Leadership Opportunities; including bringing together stakeholders to develop and/or implement the Minimum Requirements & Leadership Opportunities as applicable.
3. All employees are responsible for following the Core Strategies and Minimum Requirements when planning and designing projects, developing project and operations budgets.

10.0 EFFECTIVE DATE

This policy shall take effect on 1 July 2024 .