



Sustainable Environmental Procurement Policy



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Sustainable Environmental Procurement Policy

1. Purpose

The intention of this policy is to promote the procurement and usage of environmentally sustainable products within du. It ensures certain products procured within the organisation are environmentally friendly or environmentally sustainable (e.g. energy efficient or comprises a percentage of recycled content in its manufacture/production). This Policy further requires an environmental responsibility when such products and/or equipment become obsolete for which certain measures have to be taken for its proper disposal.

Although sustainable procurement encompasses more than environmental considerations, the main focus of du is to ensure it's environmental or green procurement.

The Sustainable Procurement Policy has been developed to:

- Reduce our environmental impact by guiding our procurement decisions
- Ensure our environmental sustainability by reducing our carbon footprint
- Minimize and conserve our natural resources where reasonably practicable.
- Ensure compliance to statutory requirements, such as our corporate governance requirements and our commitment to the HSE policy.
- Encourage suppliers and contractors to adopt cleaner technologies and produce products with lower environmental impacts
- Demonstrate leadership to the community and other stakeholders on our sustainable practices

2. Scope

The policy is applicable to all employees and departments to ensure that products or services are assessed for their environmental impact where feasible.

This policy outlines our approach to working with suppliers and subcontractors (referred to as suppliers) to meet sustainability commitments relating to:

- The products and services we source; and
- The contracts that du manage for the provision of services

It will also specifically apply to the following departments:

**Supply Chain Management:**

Supply Chain Management upon direction of Requisition Department/Business User will play an active role in ensuring products that are sourced and/or used through service deliveries meet all environmental requirements (as per product checklist – du-HSE-FOR-008).

Depending on Requisition Department/Business User instructions on PID/PIP or Technical Evaluation will also be notified prior to any tender evaluation being submitted.

The relevant Requisition Department/Business User instructions will also ensure that appropriate vendors are selected not only on economic benefits but also on their environmental sustainable status.

It will be the primary responsibility of Requisition Department/Business Users (BU) to identify and register items and services that are environmentally sustainable. The BU will be responsible to communicate their preferences to Sourcing Department for them to follow the same line in negotiations.

It will be the responsibility of Requisition Department / BU to ensure the Product Assessment form (du-HSE-FOR-008) is completed on products purchased, so that its environmental status can be evaluated.

Supply Chain will then:

- Make purchasing decisions based not only on economic, but also on environmental factors, if specified by BU.
- Purchase and/or prioritize those items that are manufactured with a high recycled content, if specified by BU.

HSSE Department:

The HSSE department will also be responsible for implementing and enforcing this policy. They will provide guidance to the relevant departments during implementation and identifying possible ways to incorporate environmental options.

This department will also ensure data obtained from the relevant departments on the various initiatives implemented are easily available for reporting purposes through Corporate Governance and or CSR.

Brand and Communications:



Brand and Communications will play a vital role in working with both Supply Chain Management and our external partners to ensure all printed materials reflect the requirements of this policy where commercially feasible.

This department will also ensure that all guidelines specifications for internally managed production elements and externally produced elements meet all necessary requirements as stated in this policy.

They will also, through internal communications, raise internal awareness on sustainability issues and concerns and educate the business in the relevant subject matter.

Other business departments:

Other business departments will ensure they adopt this policy. When sourcing out equipment and or products for its internal or external usages, they will review its environmental criteria as a preference to other materials.

They will also ensure that environmental initiatives and or environmental technologies are applied and requested as a means of promoting sustainable practices.

3. Defining Sustainable Procurement

Sustainable Purchasing means we will seek products and services that have a reduced effect on human health and the environment. We will consider all phases or a part of the product's life cycle, including raw materials acquisition, production, manufacturing, packaging, distribution, operation, maintenance, and disposal, including potential for reuse or ability to be recycled.

This can be easily evaluated by using the product assessment form that reflects the environmental performance of the specified products. (Refer to du-HSE-FOR-008).

In practice, this means seeking products that have reduced environmental impact because of the way they are made, used, transported, stored, packaged, and the manner of their disposal. It means looking for products that do not harm human health, pollute less, and that minimize waste, maximize use of recycled/recyclable materials, conserve energy and water, and reduce the consumption or disposal of hazardous materials.

Accordingly, preference will be given to products that:

- Are made from materials obtained in an environmentally sound and sustainable manner.
- Contain fewer harmful substances that affect health and the environment (mercury, lead, PVC, etc.).
- Contain recycled/recyclable materials (with maximum post-consumer content).
- Can be shipped with minimal packaging, preferably made of recycled/recyclable materials.



- Use fewer resources during production, operation, and disposal (energy, water, cost, etc).
- Are produced locally or regionally to minimize environmental costs associated with shipping.

4. Sustainable Procurement Policy Statements

Wherever possible, our employees and contractors will pursue the following goals and adhere to the specified principles when purchasing products, material and services.

4.1. Preference to Environmentally Preferable Products

The Requestors will give preference to environmentally preferable products when performance and price are comparable to conventional products.

The respective contracts and services rendered via the supply chain process should be reviewed in order to begin introducing products that are environmentally safe and sustainable.

- It should be included within contracts with suppliers to improve services and or products procured against a service contract.
- It should be included as part of the tendering proposals so that this is applied at from the beginning of service.
- Any sourcing tasks will at least have a minimum of one quote pertaining to the product or service being environmentally friendly.

4.1.1. Recycled Content (30%, 60%, 100%)

Using recycled paper diverts waste paper from entering landfills and reduces the environmental impacts for du and UAE holistically. Therefore, all internal paper products will display a percentage of recycled content.

The recycled content provisioning will be a 30% minimum value pre- consumer or post -consumer content. The ultimate goal is 100% recyclability of paper products.

Internal products that can be influenced immediately to reflect a recycled content:

- Internal paper consumables (design pamphlets, advertising posters, brochures, application forms etc).
- Stationery used internally (files, pens, pencils etc)
- External products used for external marketing, advertising can be reviewed for its recycled content. However all external marketing products will be approved by the department requesting it and Brand and Communications. All external products must ensure their exceptional quality and/or any images that will be displayed on them. Therefore extreme caution and implementation will be applied to products used externally and will be based on approvals from Brand and Communications departments. Section 6 of this document will be considered for external products.



4.1.2. Certified Products (FSC- Forest Stewardship Council)

Products that cannot be sourced with their recycled content or due to certain limitations highlighted in section 6, then alternatives that are environmentally safe may be sourced. These products must be reviewed and certified to ensure a lesser environmental impact. Therefore as we also encourage the sourcing of products that are certified or accredited by such organizations (LEED certified, EPEAT, Energy Star, EnerGuide, Environmental Choice, Forest Stewardship Certification, Green Seal, Green Guard, Green label etc.).

The applicable logos on products or packaging will demonstrate their environmental compliance levels. Below are some environmentally compliant logos.



Canada



Energy Star



Europe



Japan



Nordic
Countries



Singapore



United
States



Germany

4.1.3. Resource Efficiency (Water, Energy and Fuel)

Equipment used during design and construction phases of within any of our premises will have features that are energy and water efficient (E.g. Water taps, intelligent lighting systems, power cutoff switches) etc.

All electronic equipment purchased will have been reviewed for their energy efficient properties and will be preferred to other equipment unless they not satisfy requirements stated under section 6 of this document.

All fuels used for any services will be reviewed for their environmental alternatives and that are less polluting to the environment. Where certain fuels only are permitted, then other elements of safe guarding the environment will be instituted.

Example:

Diesel supply for a generator – The diesel usages can be optimized so that there is less consumption of fuels. Systems can be identified that will reduce the consumption of fuel.

All elements of this policy will identify products that have a lower green house gas impact; hence one has to ensure the following:



Minimum greenhouse gas emissions - Purchase energy efficient products and materials by checking that the energy rating and efficiency features are the best available for the cost, over the lifetime of the product. Purchase renewable energy and reduce the consumption of fossil fuels. Purchase goods that have not been transported over long distances.

Locality – The transportation of products is vital as this adds to their carbon footprint. The priority will be defined as follows;
Where items can be sourced locally then all means will be taken to obtain these products locally based on the following limitations;

- The product value will be comparable to other products if it were shipped (cost evaluation is based on costs sourcing from local market vs. costs of product purchased abroad plus transportation costs).
- It must meet the user's or the specific department's quality and specification requirements.

It should be noted within this policy that the intention is to procure items that are more environmentally sustainable even if it is sourced from other countries.

4.1.4. Take-Back Schemes from Manufacturer

We encourage that equipment either in warranty or out of warranty period are returned back to its manufacturer. Such initiatives must be verified to ensure the manufacturer endorses this method and provide solutions of recycling and refurbishment or re-manufacture of old or used equipment

4.1.5. Reconditioned or Remanufactured Products

Products that have been refurbished and/ or re-manufactured will also be considered environmentally friendly and an alternative option to its virgin products. Such products can be tested and either re-used based on their technical capabilities or donated or resold.

We encourage the redeployment of obsolete in one of the following ways.

- Return to the manufacturer as highlighted in 4.1.4
- The equipment re-sold into the market.
- The equipment is donated to charitable organizations.

4.1.6. Environmental Friendly Chemical Content

We aim to control chemicals to ensure they comply with our policy to offer eco-friendly products.

Therefore all chemicals that are procured will be reviewed based on safety and environmental criteria. Such chemicals will also be reviewed in terms of available alternatives that are more eco-friendly.



It should be noted that chemicals which cannot be substituted for a less hazardous chemical will be reviewed to determine ways to reduce consumption as an alternative.

Environmentally friendly chemicals will generally display a certified logo that indicates their environmental conformance (these are generally identified by logos' represented as per section 4.1.2).

Chemicals procured will, as a minimum requirement, display such features:

Minimum toxicity - Purchase material and products that are free of toxic or polluting materials and chemicals. Purchase products and material that will not release toxic substances which can affect human health and pollute water, land or air at any stage of their lifecycle.

Examples:

- Where possible, Totally Chlorine Free (TCF) paper should be used, with Elemental Chlorine Free (ECF) paper required as the minimum standard. (This is generally used for paper products).
- Environmental cleaning chemicals certified by green guard or green seal can be used instead.

4.1.7. Disposal of Product

During the procurement of products or items one has to equally consider their life cycle. Hazardous substances tend to increase costs for users during disposal as special precautions must be taken.

Therefore buying environmentally friendly products not only reduces cost at the end of their life cycle but also promotes the environmental responsibility during the disposal process.

Consideration should therefore be given when purchasing products as to whether these products are biodegradable or recyclable.

The packaging of any product will be either recycled material or optimized to ensure reduction of waste materials.

It must be ensured that products of an electronic nature which are obsolete are disposed off responsibly. The list below is a brief description of items whereby adequate disposal methods must be applied.



- All Electronic Equipment (e.g. telecommunication equipment, generators, servers, phones, computers etc).
- Any wastes (e.g. sewage, paper/plastics, batteries and telecommunication items).
- All chemicals (e.g. diesel, paints, soft services consumables, gas cylinders etc.) Furniture and Furnishings (e.g. chairs, desks, carpets etc).

It is a requirement that products and or equipment of this nature must be made known to the Health, Safety, Security and Environmental (HSSE) department so that reasonable care and responsibility are aligned when such products are purchased, used and disposed of by users.

5. Implementation and Governance of This Policy

We will communicate this policy internally to employees and make available to suppliers, stakeholders and other interested parties.

It is the responsibility of Brand and Communications departments and the Supply chain department to implement such policy during the design and sourcing stages. Supply Chain is responsible for ensuring that during sourcing of products, suppliers are to quote/tender for either recycled content and/or represent environmental product compliance as a preferred option. It is important that the tracking quantity of recycled products is recorded as this will be reported against our yearly corporate governance requirements.

It is the user's responsibility to request environmentally friendly alternatives and to review each product or service based on environmental compliance. During the sourcing of such products it is the user's responsibility to verify quality and obtain the required approvals where necessary before publication and/or production.

Our commitment to HSE will be communicated to external parties such as suppliers and contractors. This policy will be updated regularly and uploaded on the du intranet for accessibility. Updated copies can be used from this location to ensure the most recent revisions.

6. Reviewing Environmental Considerations with Performance, Availability, and Financial Cost

While we are committed to sustainable procurement, it remains essential that environmentally preferred products and services are able to fulfill the needs of our organization. Accordingly, exceptions to the sustainable procurement policy can be made under the following conditions:

- The environmentally preferred product and services are not available at a competitive price.



- The environmentally preferred product and services are not available within a reasonable time frame.
- The environmentally preferred product does not meet appropriate performance standards or does not meet our company's standards of quality and/or design and technical specifications.

It should be noted that when reviewing financial costs, the evaluation should not only be based on the initial pricing of the service or product but on the entire life cycle of the product with the following criteria:

- Initial costs
- Maintenance costs
- Operating costs
- Replacements
- Disposal costs

Quality and the environment are often closely linked as quality usually means a longer product life and thus less consumption of resources because of lower replacement rates. Moreover, an eco-efficient product usually uses less energy, meaning lower energy costs over the life-time of the product. An eco-efficient product is often cheaper to dispose of either because it is included in a recovery or re-use system or because it does not contain hazardous substances and thus does not require special handling.

7. Waste management Plan: Conserving Resources

The sections below will assist the user on how to implement and adopt this policy by addressing the basic concepts of Reduce, Reuse and Recycle. The core components begin with conserving our existing resources and this will be done as follows:

7.1. Reduce

Various reduction initiatives will be identified and implemented per department. This will help conserve our resources and optimize existing processes.

Examples of existing initiatives of reduction:

- Commercial E-billing systems – this reduces the number of paper printed for telephone bills and can now be accessed and viewed electronically.
- Printing Options changed on network printers - this reduces the number of pages printed by half.
- Provisions of 'no cup options' on the beverage machines - this allows users to use their own mugs instead of taking new cups.



These are just some of the few options in place aimed at reduction of our resources. Therefore we encourage all departments and business units to find ways to optimize with the following ways:

- Avoid printing emails or unnecessary documents.
- Photocopy or print both sides whenever possible (e.g. Pamphlets, office documents). Posters can be placed in a clear frame to optimize advertising and printing on both sides.
- Printing black and white rather than colour.
- Archive documents in soft copy, rather than hard copy formats where possible.
- Ensure that existing stock is used, rather than re-ordering (documents/ advertising pamphlets).
- Review products or items not used frequently and determine how they can be optimized into packages rather than single items.
- When purchasing items, order them in bulk rather than individually (This avoids unnecessary individual wrapping).
- Purchase recycled items rather than virgin quality; (if you can obtain alternatives in recycled material; then ensure you opt for this).
- Switch off lights (e.g. storerooms/meeting rooms) when not in use (energy consumption is a form of waste).
- Standardize temperature settings, which help conserve energy. (Refer to manufacturer specifications and consult on temperatures for specified equipment).
- Conserve water, by not letting taps run continuously.
- Look at alternative products that have less of an environmental impact.

7.1.1. Purchasing Sustainable Products

As part of our reduction initiatives, by purchasing recycled material we aim to prevent the unnecessary destruction of our natural resources. That could be in the form of trees being destroyed to make paper or using of energy/water resources wastefully.

Therefore the intention of this policy is to ensure that the procurement of the most sustainable product or services is considered as a priority.

Purchasing environmentally friendly products.

We encourage all users to procure items made from recycled content or energy efficient products, be it:

- Recycled paper.
- Recycled plastics.
- Re-manufactured or recycled wood items.
- Energy rated equipment.



- Energy saving mechanisms.
- Water saving devices to be installed.

This policy will then aim to enforce the need to source out recycled content for all paper materials used internally within the organisation. (Refer to section 5 that describes the different recycled options that can be considered a part of this Policy framework)

7.2. Reuse

We encourage all departments to find ways to reuse obsolete equipment or items before discarding.

Examples:

- Old office furniture – Office furniture that is in good condition can either be reused or donated to charities.
- Old Computers or equipment that is obsolete but in good working order can be donated to charities where they can be re-formatted and used again. Old equipment can be returned to the manufacturer for its components.
- Other simple ways may include the following:
 - Make use of old or used paper as writing pads.
 - Reuse old cardboard boxes for storage of items.
 - Donate unwanted items to charity organizations.
 - Use rechargeable batteries.
 - Reuse old envelopes when distributing internal documents.
 - Reuse water bottles or plastic cups when drinking water (this should be hygienically cleansed).

This policy aims to encourage staff and departments to implement ways to re-use products.

8. Waste management Plan: Recycling

Recycling is just one of the ways in which waste can be minimized. It is an excellent way of saving energy and conserving the environment. We aim to introduce more recycling schemes where the environmental benefits are clear and can encompass all of our wastes. Therefore this policy should encourage all staff and departments to implement methods of recycling by:

- Adhering to and participating in the recycling campaigns available and established within the organization.
- Where such recycle campaigns do not exist the user will ensure items disposed off will be reviewed for its recyclability before being disposed off within a landfill site. Sufficient



importance must be attached to such items where appropriate suppliers are then approached to recycle such materials. The appropriate recycle certificates must be available for all items recycled.

Immediate Actions to be taken by all Management:

As part of ensuring our commitment to the HSE Policy and Corporate Governance Requirements, this memo will be circulated as a form of communication to all relevant departments so that applicable measures are taken to implement such requirements.

9. Reviewing the Policy

This Policy will be reviewed regularly based on its effective implementation. It will be updated as and when business needs change. It will be reviewed as per the document control procedures within the HSE management System.

10. Definitions, abbreviation and acronyms

Definition, Abbreviation or Acronym	Explanation
HSE	Health, Safety and Environment
OHSAS	Occupational Health Safety Assessment Series
ISO	International Standards Organization
UAE	United Arab Emirates
LEED	Leadership in Energy and Environmental Design
EPEAT	Electronic Product Environmental Assessment Tool
FSC	Forest Stewardship Council
CSR	Corporate Social Responsibility
Energy efficient	Products or facilities that use less energy. Products or facilities to provide a given energy service (heating, lighting etc) or level of activity.
Environmentally preferred or green	Products and services that have less effect on human health and the environment than competing products that serves the same purpose. The comparison may consider the source of raw materials, production, manufacturing, packaging, distribution, potential for reuse and recycling, operation, maintenance, or disposal of the product.
Greenhouse effect	The Greenhouse effect is the rise in temperature that the



	Earth experiences because certain gases in the atmosphere (greenhouse gases) trap energy from the sun. Without these gases, the Earth's average temperature would not be warm enough to support life on Earth. Global warming is the result of a buildup of greenhouse gases in the atmosphere, resulting in serious environmental damage. Greenhouse gases are produced from burning fossil fuels, land clearing, emissions from landfills and other sources, including the manufacture, use and disposal of products.
Greenhouse friendly products	Are products that create less greenhouse gas emissions at one or more stages of their life cycle than competing products and services that serve the same purpose?
Recycled content	ISO 14021 defines recycled content as "the proportion, by mass, of recycled material in a product or packaging. Only pre-consumer and post-consumer materials will be considered as recycled content. (e.g. A percentage of paper, plastics, metal, and wood that is diverted from waste streams and re-manufactured to produce a product).
Post-consumer	are material generated by households or by commercial, industrial and institutional facilities in their role as end users of the product, which can no longer be used for its intended purpose. This includes returns of material from the distribution chain.
Pre-consumer	is material diverted from the waste stream during the manufacturing process. Excluded is reutilization of material such as rework, regrind or scrap generated in a process and capable of being reclaimed within the same process that generated it.
Practicable	Means that a product or service is satisfactory in performance and is available at a reasonable cost.
Natural resources	or virgin materials are naturally occurring substances that are considered valuable in their unmodified form for example forestry, fishing, or mining. These previously unused raw materials can be extracted from the earth by mechanical processes.
Renewable resources	A natural resource qualifies as a renewable resource if its stock (quantity) can increase over time and not decrease, for example oxygen, fresh water, solar and wind energy, timber and biomass.



Recycled materials	are those that have been reprocessed from recovered (reclaimed) material by means of a manufacturing process and made into a final product or into a component for incorporation into a product.
Recycled content products	are made from materials that have been recovered, processed and used as a raw material for the manufacture of a useful product through a commercial process. These products will contain a specified percentage of material that would otherwise have been disposed of as waste.
Re-manufacture	The renewal or restoration of a used product into its original form or into a useful new product through a commercial process.
Sustainable use of resources	That which meets the present needs of the user while also taking into account external and future costs, including costs to the environment, human health and depletion of resources
Sustainable Procurement	Sustainable Procurement means buying products and services that have a high environmental relief potential and that have been produced in a socially-responsible way.
Disposal	Disposal referred to in this document is understood, as any item that is obsolete to du, and is either sold to traders/vendors and or taken away for the destruction and/or landfill.