

Responsible Heathrow Policy for Heathrow Airport Limited



Purpose

The purpose of this policy is to ensure that Heathrow Airport Limited (Heathrow)'s commitment to Responsible Procurement and require adherence to a number of key guiding principles from Heathrow colleagues, suppliers, stakeholders and other interested parties is understood. Heathrow is committed to enhancing the economic and social benefits of the airport while preventing or reducing its effects on the environment and local communities.

This commitment is delivered through Heathrow's sustainability strategy which sets out a clear vision of where we want to be by 2020 supported by targets and action plans. It is strongly embedded in our corporate strategy, reflected by the strategic objective "to run our airport responsibly, safely and securely".

The procurement decisions we make directly impact our ability to achieve this objective.

In addition to supporting our strategic objectives, Heathrow recognises that adopting the principles outlined in this policy will help us achieve commercial benefits;

- Value for money
- More efficient use of resources
- Increased innovation
- Improved risk management
- Lower whole-life costs
- Improved supplier relationships
- A diverse and flexible supply chain

Policy

In accordance with Heathrow Supply Chain Policy.

- All supply chain activities and interactions with third parties shall be compliant with the Code of Professional Conduct Policy.
- Heathrow shall incorporate appropriate responsible procurement, health & safety, security and environmental requirements into all contracts for goods, services and works. Heathrow shall also seek to improve the overall responsible management of the supply chain on an on-going basis, across social, environmental and economic factors. All those involved in supply chain activities shall continuously improve performance in all of these areas and cascade all these principles throughout the supply chain.

Additional principles have been developed in alignment with Heathrow's Sustainability Strategy and with legislation. They should be used by Heathrow and its supply chain to guide procurement decisions with regards to;

- The goods, services and works that Heathrow buys
- The organisations that Heathrow does business with; and
- The contracts that Heathrow enters into and manages on an on-going basis

The additional principles are:

Managing our environmental impacts

Prevent, limit or reduce adverse impacts to;

- air quality
- air and ground noise
- climate change
- water and land

Manage landholdings to protect & enhance biodiversity while maintaining aircraft safety. Manage waste in accordance with the waste hierarchy (prevent, prepare for reuse, recycle and recover energy) to minimise use of natural resources.

Looking after our People, Passengers and Suppliers

- Safeguard the health and safety of our colleagues, suppliers, contractors, our service partners, passengers and members of the public
- Support fair employment practices including labour standards & human rights

- Promote workforce welfare- Wages, benefits and working hours
- Consider Equality and Diversity
- Promote good governance and anti-corruption
- Promote Fair Trade and pay (protecting workers' pay and rights throughout the supply chain) and Ethical Sourcing (helping disadvantaged producers and workers in the developing world to take more control over their lives)
- Promote on-time payment for all our Suppliers

Promoting economic growth

- Support sustainable economic growth and prosperity across the UK and specifically in our local communities through:
 - Connecting local businesses to new growth opportunities through the contracts we offer
 - Incorporating provision in contracts to offer training and employment opportunities for local communities

Accountabilities and Responsibilities

Heathrow colleagues and any individuals or organisations undertaking procurement activities on Heathrow's behalf are required to:

- Comply with this policy
- Include this policy in all tender documentation
- Build the appropriate elements of this policy into the evaluation criteria, with the appropriate weighting(s) based on size, risk and issues material to particular suppliers
- Work with existing suppliers to enable them to meet our sustainability requirements.
- Periodically evaluate supplier risk, exposure and management cross the sustainability issues identified in this policy.
- Audit and monitor supplier performance across the sustainability issues identified in the policy.

Heathrow colleagues and any individuals or organisations undertaking procurement activities on Heathrow's behalf also need to ensure that **3rd party suppliers to Heathrow comply with the principles of this policy by complying with the following:**

- Read, understand and ensure compliance with the responsible procurement principles outlined in this policy.
- Flag to Heathrow any negative impact to the responsible procurement principles outlined in this policy they have identified prior to or during doing business with Heathrow
- Refer to the responsible procurement principles outlined in this policy and where relevant incorporate them into tender submissions
- Provide Heathrow with the evidence to support their credentials in this area, including;
 - Positions such as policies
 - Processes such as management systems
 - Performance such as carbon footprint
- Comply with national laws in countries in which they operate and ensure activities comply with Environmental Permits held by the Heathrow Airport Ltd.
- For construction related goods, services and works: comply with the Heathrow Development Employer's Requirements for Environment and Sustainability; Industrial Relations; and Health & Safety.

Scope

This policy applies to Heathrow Airport only and covers all sourcing and contract management activities for Heathrow airport related to general goods and services, IT related goods and services and construction related goods, services and works.

This policy outlines Heathrow's approach to working with suppliers, sub-contractors (referred to as suppliers) and business partners to meet sustainability commitments relating to:

- The products and services that Heathrow buys
- The organisations and that Heathrow does business with; and
- The contracts that Heathrow manages.

This policy is mandatory and shall be complied with by all Heathrow colleagues for all third party expenditure.

Heathrow colleagues must ensure that this policy is communicated to any individuals or organisations undertaking procurement activities on Heathrow's behalf, who must themselves also adhere to this policy.

Ian Ballentine
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