



## Do your company's environmental practices and policies extend to suppliers and contractors?

### Rationale for question

Some companies have great buying power, purchasing products, goods and services from many suppliers and on a large scale. Such companies are well placed to pressure suppliers to improve environmental standards throughout the supply chain. Even small companies with no great buying power still have the ability to articulate their preferences and to seek out potential suppliers with the best environmental performance.

There are several ways a company can evaluate the environmental practices of its suppliers and contractors. These might include:

- using certification standards, e.g. purchasing only from eco-certified companies or sourcing goods that have been environmentally-certified (for example, Forest Stewardship Council certified paper);
- assessing suppliers' and contractors' environmental policies and statements;
- talking regularly to suppliers;
- site visits; and/or
- independent audits.

Many companies also work closely with their suppliers and contractors to improve overall environmental performance. It is possible to set environmental targets in contracts or service agreements and monitor performance. It is worth remembering that suppliers often have specialist and expert knowledge and can be useful sources of information on more sustainable practice. Better environmental performance can lead not only to environmental benefits but also to cost savings.

Sometimes it is necessary to strike a balance or prioritise between the benefits of using local suppliers or using more distant suppliers with good environmental credentials, for example in debating the cost of transport and air miles. These are not always easy choices to make.

### Defining terms

[No specific or technical terms require definition.]

**Primary and Secondary answer requirements**

**ANSWERING YES**

Companies must:

1. confirm that they consistently take environmental practices into consideration when evaluating suppliers and contractors; and
2. describe how they assess the environmental practices of their suppliers and contractors.

Companies may:

1. describe any efforts they have made to improve the environmental performance of their suppliers and contractors, or vice versa; and
2. explain how they monitor the environmental performance of their suppliers and contractors.

**ANSWERING NO**

Companies must:

1. explain why they do not or cannot answer YES to this question, listing the business reasons, any mitigating circumstances or other reasons that apply.

Companies may:

1. list any ad hoc environmental aspects considered when choosing suppliers and/or contractors;
2. describe any efforts they have made to improve the environmental performance of their suppliers and contractors, or vice versa; and
3. mention any future intentions regarding this issue.

**DON'T KNOW** is not permissible for this question.

**NOT APPLICABLE** is not a permissible answer to this question.

**NO ANSWER YET** is only permissible under extraordinary circumstances and then for only a limited period.