



ECO FAIR

West & North Yorkshire Chamber

Dianne Sanders
Chris Allen

Heathrow Airport Ltd

Doing the Right Thing

Embedding Sustainability in Procurement



West & North
Yorkshire Chamber
of Commerce
British Chambers of Commerce
Accredited

About Heathrow



Airline & Handlers

80 airlines operate from Heathrow 480,000 aircraft movements a year



Retailers

Retailers generate £1.7 billion retail sales a year



Service partners

Keep our country borders secure + provide essential services



People

7,500 Heathrow people
76,500 airport people
114,000 local workers



Passengers

75 million passengers use our airport every year

Responsible Heathrow 2020

Our Vision

To become one of the most responsible airports in the world



Some of our Goals and Commitments include:

- ✓ 34% reduction in CO2
- ✓ Min 5% reduction in ground based NOx emissions from the airport
- ✓ 70% waste recycled
- ✓ 50% of employees at Heathrow from the local area
- ✓ 750,000 additional passengers per year using public transport
- ✓ Min 10% annual reduction in employee and passenger injuries

Procurement overview



1.7bn spend per year
split between Opex (42%)
and Capex (58%)



700 contracts
across 18 major
categories



**65 Procurement
professionals**



1500 Tier 1 suppliers
and 50 strategic suppliers
across 80% spend

Working Together – Our Values



Responsible Procurement



Products and services that Heathrow buy



Organisations that Heathrow does business with



Contracts that Heathrow manages

Maturity Matrix

	Foundation Level 1	Embed Level 2	Practice Level 3	Enhance Level 4	Lead Level 5
People	Key personnel nominated & trained	All procurement staff basic training & key staff advanced training	RP included in staff objectives & refresher training in place	RP in competencies, selection criteria & induction programme	Publish achievements, awards received, good practice shared
Policy, Strategy & Comms	RP Policy & objectives in place	Enhance RP Policy to align with RP Heathrow & communicated to staff & suppliers	RP Policy expanded to RP strategy & endorsed by Exec	RP Strategy enhanced to recognise new technology	Strategy reviewed regularly, recognised by political leaders & new strategy produced beyond framework
Procurement Process	General RP criteria included in tenders	Detailed expenditure analysis undertaken, RP considered for most contracts, whole life cost analysis adopted	All contracts assessed for RP, risks managed throughout procurement process & targets agreed with key suppliers	Detailed RP risks assessed, RP governance in place, life-cycle approach to cost /impact applied	Life-cycle analysis undertaken, KPIs agreed with key suppliers, progress rewarded, best practice shared externally
Engaging Suppliers	Key supplier spend undertaken & engaged in RP	Spend analysis undertaken & supplier engagement initiated with senior manager involvement	Supplier engagement programme in place for RP improvements & key impact areas mapped	Key suppliers targeted for intensive development & audit programme in place	Supplier recognition for RP initiatives & best practice shared with other/ peer organisations. Exec engages with suppliers
Measurements & Results	Key RP impacts identified	RP impacts identified & measures in place to manage high risk impact areas	RP measures refined from departmental to individual category managers	Measures integrated into score card & compared with peer organisations	Measures drive RP strategy direction with benefits clearly evidenced & independent audit report made public

Target Milestones



Critical success factor - KPIs

Ensuring RP is embedded within your Procurement process with Decision gateways

Supplier Engagement

Senior Buy-in and objectives – everyone working together to deliver our aspirations

Exec board buy-in to Responsible Heathrow 2020

Procurement Director

RP TEAM:

- Champions leading the change
- Ambassadors both Procurement & Business
- Colleagues

Heathrow
Making every journey better

Water Treatment and Cooling towers maintenance

Scope: Maintenance, risk mitigation & control, efficiencies

- Tender process
- Contract
- Post contract benefits achieved



Supplier Engagement - Electric vehicles



8 pool cars



Suppliers also beginning to make the transfer to electric vehicles!



Biomass Wood Fuel Contract

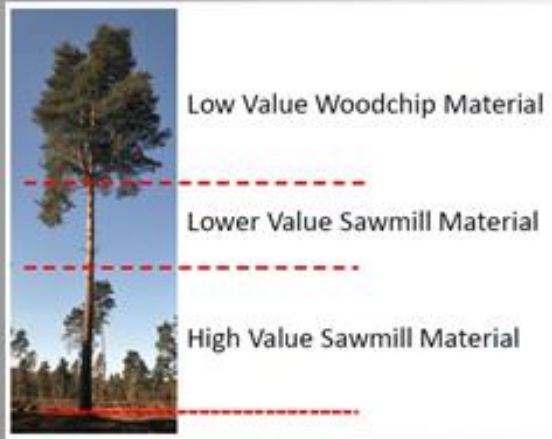


Displace gas
Reduce CO2



Forest Management

Creating Jobs



Created Market – low quality wood

Ash Recycling



Forest thinning creating a haven for wildlife & biodiversity





ECO FAIR

West & North Yorkshire Chamber

Dianne Sanders
Chris Allen

Heathrow Airport Ltd

Doing the Right Thing

Embedding Sustainability in Procurement



West & North
Yorkshire Chamber
of Commerce
British Chambers of Commerce
Accredited