

SUSTAINABILITY PROCUREMENT POLICY **Balfour Beatty**

Scope

This policy describes Balfour Beatty UK & Ireland's commitments to deliver sustainable outcomes through our procurement activity and is to be applied where relevant and proportionate to the materials, works or services being provided.

We expect our suppliers and sub-contractors to measure and report to Balfour Beatty on their performance against all applicable policy commitments as detailed in the 'Sustainable Procurement Policy Requirements – Guidance', or as otherwise confirmed by Balfour Beatty.

Suppliers and subcontractors must also comply and support the delivery of our other associated policies and initiatives, including; Zero Harm; Code of Conduct, Social Value and our Blue-print for Sustainable Business.

Responsibility for this policy lies with the Group CEO. The implementation of this policy is the collective responsibility of all employees, agents, consultants, suppliers and subcontractors.

Purpose

We expect our supply chain to be innovative in how it develops sustainable options and to support us in achieving 'best value for money' for our customers. We want to choose the optimum combination of whole life costs and benefits considering the environmental, social and economic impact of activities through design, material selection, manufacture, transportation, construction, usage and disposal.

Policy Statement

We will collaborate with our designers and supply chain to ensure that where relevant and proportionate, we:

Environmental Limits

Environmental Management - Work to reduce the key environmental impacts of supply chain operations and work with suppliers and subcontractors to minimise and manage these impacts and ensure legal compliance.

Ethical Sourcing - Source products, materials and services ethically through recognised credible standards.

Circular Economy & Resource Efficiency - Minimise waste and material use and give preference to materials products and services with greatest circular-economy benefits.

Energy & Carbon - Reduce the operational energy use of our projects and quantify the embodied carbon of key materials.

Water - Reduce the operational water use of our projects and quantify the embodied water of key materials.

Biodiversity - Protect and where appropriate enhance the biodiversity of our sites and manage the impact of the products and materials we buy on habitats.

Air Quality - Reduce impacts on air quality by controlling dust and harmful emissions.

Profitable Markets

Payment - Pay our supply chain on time to agreed payment terms.

Supply Chain Development - Improve our combined capability to deliver sustainable outcomes.

Healthy Communities

Supplier Diversity - Offer small and medium enterprises, social enterprises and local businesses the opportunity to participate in our supply chain and to work with suppliers who actively manage diversity & inclusion in their workforce.

Developing Skills and Talent - Recruit locally and provide opportunities for graduates, trainees, apprenticeships and work experience.

Labour Standards - Implement a proactive approach to tackling hidden labour exploitation and eliminate these practices in our wider supply chain.

Community Engagement - Engage positively with the local community and work to avoid disruption to local people.

AUTHORISATION



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Group Chief Executive, August 2018