

At Balfour Beatty we create infrastructure, support communities and enable growth.

For us Sustainable Procurement is about using procurement and working with our supply chain to address social, economic and environmental considerations over the entire life cycle in ways that offer real long-term benefits to the economy to communities and to the environment.

This policy describes Balfour Beatty UK & Ireland's commitment to deliver sustainability outcomes through our supply chain and procurement activity and is supported by our sustainability strategy, 'Building New Futures Sustainably'.

By 2040 it is our ambition to move beyond zero net carbon, generate zero waste and positively impact more than one million people globally. To help us realise our 2040 ambitions, we have set interim 2030 targets:

- Achieve our science-based carbon reduction target
- Reduce the amount of waste we generate by 40% per £1m of revenue
- Generate £3bn of Social Value globally

Our supply chain is key to delivering on our ambitions and targets and so sustainability is considered in every purchasing decision we make and we actively manage supply chain sustainability performance on an ongoing basis.

We ensure that all members of our procurement team receive training on sustainable procurement and sustainability. As a Partner of the [Supply Chain Sustainability School](#) extensive learning opportunities are available to all employees and supply chain.

#### Our strategic priorities include:

**Modern Slavery** Action to identify and manage the risks of modern slavery within our supply chain

**Supply Chain Carbon Emissions** Working with our supply chain partners to report and reduce embodied carbon in materials they supply to us

**Social Value** Working with our supply chain partners to maximise the additional social value we can deliver to local communities

**Circular Economy & Resource Efficiency** Minimise waste and use of materials and give

preference to materials, products and services with greatest circular-economy benefits

**Prompt Payment** We are committed to paying our supply chain partners on time to mutually agreed terms.

#### Supply Chain Selection

When selecting suppliers and subcontractors we seek evidence of their ability to meet our sustainability requirements, as relevant and proportionate to their work with Balfour Beatty, in 13 key areas

**Environment:** Environmental management; Energy & carbon; Water; Biodiversity and Air quality

**Materials:** Ethical sourcing and Circular economy & resource efficiency

**Communities:** Supplier & workforce diversity; Developing skills and talent; Modern slavery\*; Community engagement; Prompt payment and Supply chain development

\*All Suppliers and Subcontractors are required to provide a copy of their Modern Slavery Statement or other document detailing the steps being taken to reduce the likelihood of modern slavery and labour exploitation occurring in their own business or supply chain.

Detailed requirements can be found in our ['Sustainable Procurement Policy Requirements – Guidance'](#), and ['Modern Slavery Guidance and Requirements for Suppliers'](#)

We expect our suppliers and subcontractors to comply with all applicable requirements or as otherwise confirmed by Balfour Beatty. Suppliers and subcontractors must ensure their supply chain also comply with these requirements.

We require our suppliers and subcontractors to notify Balfour Beatty if they are going to use subcontractors or third-party organisations to support a Balfour Beatty contract.

The implementation of this policy is the collective responsibility of all employees, agents, consultants, suppliers and subcontractors.

#### AUTHORISATION

Leo Quinn, Group Chief Executive,  
December 2020