

# SUSTAINABLE PROCUREMENT POLICY

Balfour Beatty UK aligns our sustainable procurement practices to the ISO 20400 Sustainable Procurement guidance standard.

For us, Sustainable Procurement is about using procurement practices and working with our supply chain to enhance social, economic and environmental outcomes over the entire lifecycle.

We should only procure where it is necessary and should seek to use site-won materials where suitable and available.

## RESPONSIBILITIES

This policy applies to our workforce, business partners, suppliers and subcontractors working on our behalf. It is supported by our Code of Ethics and our sustainability strategy, 'Building New Futures'.

Our Procurement function are expected to consider sustainability in every purchasing decision and actively manage sustainability performance throughout the contract.

Evidence should be sought from suppliers and subcontractors demonstrating their ability to meet our sustainability requirements. This should be relevant and proportionate to the products, goods or services being provided.

Our procurement function receive training on sustainability internally and from the [Supply Chain Sustainability School](#).

The Environment and Sustainability function support the Procurement function with subject matter expertise, as required.

We are signatories of the Prompt Payment Code and are committed to paying our supply chain partners on time.

## SUSTAINABLE PROCUREMENT PRIORITIES:

We expect our supply chain to provide solutions which align with our sustainable procurement priorities:

**Compliance:** ensure legal and responsible sourcing practices are applied, adhering to all local, national and international regulations.

**Carbon:** minimise lifecycle carbon emissions and enable reporting of scope 3 carbon emissions.

**Biodiversity:** minimise negative impacts on ecosystems and enable biodiversity net gain, where relevant.

**Material Efficiency:** give preference to materials, products and services with greatest

circular-economy benefits and use the waste hierarchy to achieve waste reduction. Seek solutions which minimise single-use packaging.

**Sustainable products:** identify sustainable product and service opportunities, and implement sustainable certification schemes where available and relevant.

**Social Value:** maximise the additional social value we can deliver to local communities, through skills education and employment opportunities and spending locally, with Small and Medium Enterprises and with Social Enterprises.

**Modern Slavery:** identify and minimise the risks of modern slavery within our supply chain, including UK site-based labour.

## SUPPLY CHAIN EXPECTATIONS

We expect our suppliers and subcontractors to comply with all applicable requirements or as otherwise confirmed by Balfour Beatty.

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.

Suppliers and subcontractors must ensure their supply chain also comply with these requirements.

Suppliers and subcontractors are required to provide a copy of their Modern Slavery Statement or equivalent document.

Active membership of the Supply Chain Sustainability School is encouraged for all construction sector supply chain partners.

Detailed requirements can be found in our '[Supplier Sustainability Conditions](#)', and '[Modern Slavery Guidance and Requirements for Suppliers](#)'

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

## AUTHORISATION

Leo Quinn, Group Chief Executive,  
February 2023