

At Balfour Beatty UK, Procurement is committed to embedding sustainability into what and how we buy.

This Sustainable Procurement Policy sets out how we incorporate environmental, social, and economic considerations into procurement decisions, while managing risk and delivering long-term value. It aligns with our sustainability strategy, *Building New Futures*, and follows the principles of the ISO 20400 Sustainable Procurement guidance.

SCOPE

This policy applies to all Balfour Beatty UK employees involved in the procurement of materials, goods, and services. It also applies to our supply chain partners.

The policy should be read alongside:

- Our Sustainability Strategy: *Building New Futures*
- Our Supplier Sustainability Conditions
- Our Code of Ethics

OUR APPROACH

Sustainability is integrated into procurement activity to support value creation and risk management. Procurement processes and tools are designed to embed sustainability throughout the sourcing lifecycle — from planning through to contract and supplier performance.

Procurement decisions should consider long-term outcomes and the lifecycle impacts of goods and services. Where appropriate, automation and digital tools are used to support consistency and simplify sustainable decision-making.

A minimum 10% sustainability weighting is applied in all tender evaluations, with requirements proportionate to the scope of supply.

Our Procurement function receive training on sustainability internally, and are supported by the Responsible Sourcing team and the wider Sustainability function with subject matter expertise, as required.

SUSTAINABLE PROCUREMENT PRIORITIES:

Balfour Beatty's sustainable procurement activity is guided by five key topics set out in *Building New Futures*. These priorities shape our sourcing decisions and define the standards we expect from our supply chain partners.

Climate Action

Procurement supports the reduction of carbon emissions across the value chain.

- Select low-carbon materials and services where suitable
- Consider carbon impact in logistics

- Enable carbon emissions reporting where required

Nature Positive

Procurement influences how goods and services affect the natural environment.

- Avoid sourcing practices that harm ecosystems
- Support Nature Positive outcomes through responsible choices

Resource Efficiency

Procurement should support responsible resource use and reduce waste.

- Apply the waste hierarchy
- Minimise single-use packaging

Supply Chain Integrity

Procurement helps build a transparent, resilient, and ethical supply chain.

- Maintain legal and ethical sourcing standards, including modern slavery
- Leverage data for traceability and responsible sourcing
- Collaborate to build supplier capabilities

Community Engagement

Procurement enables positive local outcomes through sourcing decisions.

- Prioritise spend with SMEs, VCSEs, and local suppliers
- Support project-specific social impact targets where required

SUPPLY CHAIN EXPECTATIONS

We expect all suppliers, subcontractors, and delivery partners to meet relevant sustainability requirements and support the principles of this policy.

- Comply with all applicable laws, including human rights, environmental and ethical standards
- Have a current Modern Slavery Statement
- Meet the standards set out in our Supplier Sustainability Conditions
- Engage openly, collaborate on improvement, and contribute innovative solutions
- Participate in capability-building initiatives such as the Supply Chain Sustainability School

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

AUTHORISATION

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