



Deloitte LLP Sustainable Procurement Policy

Deloitte operates a large, truly global, supply chain which ensures that we are able to acquire the highest quality goods and services available to meet the requirements of both our clients and our own business. We recognize this gives us a privileged position to influence outcomes that will help drive a better future, both environmentally and socially. We actively manage the environmental, social and economic impact of our supply chain and this policy details the principles that we base our supply chain strategy and decisions upon.

Deloitte is committed to:

- Setting objectives and action plans in support of this policy and pursuing continuous improvement of our practices.
- Prioritising vendors who have embedded our non-negotiable conditions and preferences, listed below, especially those that can demonstrate they have embedded similar conditions in their own supply chains.
- Identifying areas of higher risk and influence within our supply chain and engaging with vendors in those areas as well as embedding mitigating factors into the contracts.
- Treating vendors fairly, including complying with the letter and spirit of all applicable legislation and upholding our obligations as a signatory to the Prompt Payment code.
- Creating a diverse supply chain in line with our commitments in the [Deloitte Black Action Plan](#).

Deloitte has a set of non-negotiable conditions for assessing the commitment our strategic vendors make to aligning with our expectations. These include:

- Within one year of contracting with Deloitte, vendor shall publicly commit to setting a science-based net-zero goal (including near-term and long-term science-based targets) for reducing greenhouse gas emissions in line with the Science Based Targets initiative (SBTi), using the standards and criteria listed on [the Science Based Target website](#).
- Within two years from committing to setting a net-zero goal, vendor shall set such goal and have it validated by SBTi. Validated goals should be posted on SBTi website.
- Vendor will use good faith efforts to achieve such goals.
- Vendor shall annually **calculate** its greenhouse gas emissions inventory inclusive of Scopes 1, 2, and 3 (including all relevant categories of Scope 3, including Purchased Goods and Services) following the latest version of the WRI's GHG Protocol Corporate Standard and Corporate Value Chain (Scope 3) Standard.
- Vendor shall annually **publicly report** its greenhouse gas emissions inventory inclusive of Scopes 1, 2, and 3 (including all relevant categories of Scope 3, including Purchased Goods and Services).

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Vendor should also annually **publicly report** progress toward achieving their net-zero goal; and whether they have purchased carbon credits to compensate for their residual emissions, the quantity of carbon credits purchased, and whether these came from ICROA verified sources.

- Upon request from Deloitte, vendor shall complete CDP Climate Change questionnaire including Supply Chain section of the questionnaire regarding products and services provided to Deloitte.

*Additionally, **Deloitte** has a set of non-negotiable conditions which apply to all vendors:*

- Vendor shall comply with International Labour Organization (ILO) principles in respect to human rights and conditions of employment.
- Vendor shall ensure that slavery, human trafficking, and corruption is not taking place in any of their supply chains and in any part of their business.
- For vendor personnel based in the UK, vendor shall pay the Living Wage as set by the Living Wage Foundation (at a minimum) to employees, and ensure their contractors do likewise.
- Vendor shall adhere to our [Supplier Code of Conduct](#) and third-party governance framework.
- Vendor shall encourage the use of social enterprises within their supply chain.

***Deloitte** also has a set of other criteria that we use to score vendors against in the tender process that consider our wider environmental, social and governance priorities. These include:*

Environmental:

- Conservation of resources, including the use of energy, water and materials. This includes the use of renewable alternatives where possible.
- A circular economy strategy, prioritising the use of sustainable materials and waste minimisation, both within their operations and through reduction of packaging.
- Reducing the impact of deliveries and maximising local sourcing.

Economic & Social:

- Supporting job creation and facilitating opportunities for small-and-medium-sized enterprises (SMEs).
- Encouraging increased participation of Black, Asian, Mixed Race and other ethnically diverse-led enterprise owners in our supply chain.
- Considering the life-cycle cost of products.
- Pay vendors on time in accordance with invoicing terms.

This policy will be communicated throughout the firm and is available for public review. It will be reviewed on an annual basis to evaluate continued relevance, monitor compliance and drive continual improvement.

Date: 1st June, 2022

Signed:

A handwritten signature in black ink, appearing to be 'S. Griggs', with a long horizontal stroke extending to the right.

Stephen Griggs
UK Managing Partner, Deloitte LLP