



Deloitte LLP Sustainable Procurement Policy

Deloitte LLP (“Deloitte”) operates a large global supply chain that ensures our ability to acquire goods and services of the highest available quality for our clients and firm. We recognise this gives us a privileged position to influence outcomes that will help drive a better future, both environmentally and socially.

At Deloitte, we are committed to becoming Net Zero. To drive this transformation, we are placing a strong emphasis on climate and sustainability in our strategy, governance and operating procedures, including our supply chain.

The first phase of our decarbonisation program is guided by ‘near-term’ carbon reduction goals covering our operations and value chain. These goals have been verified by the Science-Based Targets Initiative (SBTi) as being in line with a 1.5°C decarbonisation pathway. As our supply chain accounts for the largest proportion of our emissions footprint, we committed to have 67% of our suppliers by emissions set Science-Based Targets (SBTs) by 2025. To help us measure progress towards Net Zero we annually report our emissions to CDP, a not-for-profit charity that runs the global disclosure system.

In addition, we have set a range of wider sustainability targets including to: reduce environmental impacts with our real estate strategy and hybrid working model; promote resource efficiency across our operations; build circularity into our IT strategy; and make working sustainably the default way of doing business with Deloitte.

In support of our commitment to becoming Net Zero, we are collaborating with our suppliers and other parties to drive action on climate change and sustainability at an operational, as well as systemic, level. This policy details the principles that we base our supply chain strategy and decisions upon.

Read more about *WorldClimate* [here](#).

Deloitte is committed to:

- Setting objectives and action plans in support of this policy and pursuing continuous improvement of the impacts associated with our supply chain.
- Prioritising suppliers, and prospective suppliers, who have embedded our sustainability conditions and preferences, listed below, especially those that can demonstrate they have embedded similar conditions in their own supply chains.
- Identifying areas of higher ESG risk within our supply chain and engaging with suppliers in those areas as well as embedding mitigating factors into our contracts.
- Treating suppliers 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 suppliers make to aligning with our expectations. These include:

- Within one year of contracting with Deloitte, supplier shall publicly commit to setting a science-based net-zero goal (including near-term and long-term greenhouse gas emission reduction targets) e.g. via the Science Based Targets initiative (SBTi), and share confirmation of this commitment with Deloitte.
- Within two years from committing to setting a science-based net-zero goal, supplier shall set such goal(s) and have it validated externally.
- Supplier will use efforts in good faith to achieve such goals.
- Supplier 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.
- Supplier 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), and their progress towards achieving their science-based net zero goal.
- Upon request from Deloitte, supplier shall complete CDP Climate Change questionnaire including Supply Chain section of the questionnaire regarding products and services provided to Deloitte.
- Upon request from Deloitte, supplier shall provide evidence of their latest EcoVadis rating.

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

- Supplier shall comply with International Labour Organisation (ILO) principles in respect to human rights and conditions of employment.
- Supplier 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 supplier personnel based in the UK, supplier shall pay the Living Wage as set by the Living Wage Foundation (at a minimum) to employees and ensure their contractors do likewise.
- Supplier shall adhere to our [Supplier Code of Conduct](#) and third-party governance framework.
- Supplier shall encourage the use of social enterprises within their supply chain.

Deloitte also has a set of other criteria that we use to score prospective suppliers against in the tender process that consider our wider environmental, social and governance priorities, where relevant to the product or service provided. These include, but are not limited to:

Environmental:

- Investing in resource conservation measures, including the use and reduction of energy, water and materials. This includes, among others, investing in operational efficiency measures and maximising the use of renewable alternatives to limit the use of fossil fuels.
- Implementing a circular economy strategy to enable us to increase the proportion of sustainable materials we procure and minimise waste including through reducing of packaging.
- Mapping hotspots that put pressure on nature so that the business may take the necessary steps to halt biodiversity loss within the value chain.
- Reducing the impact of deliveries and maximising local sourcing, across the UK and EU.

- Monitoring indoor and outdoor air quality levels at its operations, where applicable, to ensure adherence to minimum World Health Organisation (WHO) standards.

Economic & Social:

- Supporting job creation and facilitating opportunities for small-and-medium-sized enterprises (SMEs).
- Encouraging increased participation of ethnically diverse-led enterprises in our supply chain.
- Considering the life-cycle cost of products.
- Paying suppliers 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 October, 2023

Signed:



Steven Felton
Chief Operating Officer, Deloitte LLP

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