Group Sustainable Procurement Policy

Policy Statement

Telford Homes is dedicated to developing the homes and creating the places that London needs. This policy is to be read in conjunction with its 2030 <u>Building a Living Legacy (BLL) roadmap</u> that sets out our corporate targets. Being a valued partner to landowners, housing associations, local authorities, and communities, build to rent investors and our supply chain is a key part of our strong brand reputation, as is looking after everyone who works for us.

During the construction of new homes and communities we procure products and services that impact on the environment, society and local economies. When making procurement decisions we are committed to ensuring value for money, while minimising, so far as is possible, negative environmental, social and economic impacts by:

- Communicating our commitment to be a sustainable business through our BLL sustainability strategy to all our suppliers, contractors and service providers.
- Putting in place a formal procedure to ensure that environmental and ethical considerations are taken when making procurement decisions through our subcontractor minimum standards procedure.
- Working closely with our supply chain partners to minimise, so far as is possible, adverse impacts
 on people and the environment, while seeking to maximise the socio-economic benefits that
 result from our procurement decisions.
- Monitoring our supply chain, through our Builders Profile prequalification tool, to ensure that compliance with our policy and procedures is always upheld.

Supplier and subcontractor requirements

In order to be accepted onto our preferred supplier list and be selected in our tenders, suppliers and subcontractors must:

- Ensure compliance with all mandatory legislation relating to their own business activities and their supply chain and the <u>CBRE Supplier Code of Conduct</u> in addition to complying with the Telford Homes Subcontractor Sustainability Requirement. Each will be reviewed annually in line with our Builders Profile supplier renewal schedule.
- Always comply with Telford Homes' health and safety, biodiversity, circular economy, climate change, environment, modern Slavery and human trafficking, sustainable procurement, timber and related BLL policies.
- Operate a Health and Safety Management System that puts in place procedures to manage the principles risks associated with their activities. Preference will be given to OHSAS 18001 and ISO45001 certification.
- Operate an Environmental Management System that puts in place procedures to manage the
 principles risks associated with its activities as well as systems to monitor the environmental
 impacts of their operations. Preference will be given to ISO 14001 certification.
- Operate a quality management system. Preference will be given to ISO 9001 and ISO20400 during the selection process.

Policy objectives

1. Minimise the use of resources on our sites

- Use energy, water and materials (as part of a circular economy model) efficiently.
- Monitor the amount of direct carbon, energy, water and waste used and indirect resources used by our subcontractors and supply chain. Preference will be given to appointing companies with a net-zero carbon commitment, net-positive solutions and/or a Science Based Target ambition.
- Subcontractors must provide us with information about the amount, type, destination and management method for any waste which they remove from our sites.

2. Minimise the environmental impact of the materials we use

- Ensure all timber is procured in line with our timber procurement policy, from sustainable sources and has an FSC/PEFC Chain of Custody certification.
- Consider the environmental impact of materials using BRE's Green Guide rating. Preference will be given to materials that meet the BES 6001 standard.
- Give preference to products that:
 - Are certified with an Environmental Performance Declaration
 - Have low embodied carbon
 - Have recycled content
 - Minimise waste
 - Are recyclable
 - Minimise packaging waste
 - Do not damage biodiversity or eco-systems in their production or use
 - Minimise water use in production
 - Use locally sourced materials and or labour

Other forms of recognised certification standards such as, by way of example 'cradle to grave circular economy certification,' and 'ISO14024:2018 environmental labels and declarations' will be given due consideration and preference when specifying materials.

3. Work to uphold the highest ethical principles throughout or operations and our supply chain

- Comply with all aspects of the Modern Slavery Act 2015, including following the commitments set out in our annual Modern Slavery Statement.
- Communicate the expectation that all our suppliers and subcontractors to meet internationally established labour standards set out in the Ethical Trading Initiative's (ETI) base code.
- Ensure our suppliers and contractors comply with all aspects of our & CBRE anti-bribery and corruption policies and relevant procedures.
- Ensure contract prices, terms and payment periods are fair. Telford Homes are not bound to accept the lowest quotation if it does not uphold our ethical standards.



4. Maximise employment opportunities and socio-economic impacts of our procurement decisions

- We are committed to our Prompt Payment procedures to ensure we pay our suppliers and subcontractors in a timely manner.
- Encourage the development of a diverse and inclusive workforce amongst our supply chain and encourage the payment of the relevant local living wage.
- Work with our suppliers, subcontractors, industry bodies, local authorities, project stakeholders and charities to maximise entry level employment opportunities and apprenticeships, on out construction sites and through our supply chain.
- Provide opportunities for SMEs and local businesses to tender.
- We are signatories to the Supply Chain Sustainability School 'People Matter's Charter' and encourage its adoption by our supply chain.

Compliance

Where commercially viable Telford Homes commits to selecting suppliers to its preferred supplier list in line with the principles set out above and expects all subcontractors to apply the same principles when procuring products or services on its behalf.

Preferred suppliers' compliance with this policy and <u>CBRE Supplier Code of Conduct</u>. Each will be reviewed annually in line with our Builders Profile supplier renewal schedule.

Governance

This policy has been developed by the Telford Homes' BLL Steering Committee, and is to be updated annually and managed through the Responsible Procurement Working Group. It is communicated to all employees and is available on our website, as well as all suppliers on our preferred supplier list.

This policy will be reviewed annually to ensure it continues to reflect the priorities of Telford Homes and the expectations of its stakeholders.

John Fitzgerald, Group Managing Director Telford Homes 19th March 2021

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