



Deloitte North & South Europe **Responsible Procurement Policy**

Deloitte's commitment to responsible business is rooted in our Purpose—175 years of making an impact that matters for our people, society, and clients. Our [Shared Values](#) describe how we live our Purpose, and our [Global Principles of Business Conduct](#) explain our ethical commitments. Our [Supplier Code of Conduct](#) ("Supplier Code") outlines our expectations of suppliers globally.

Deloitte NSE includes more than 75,000 people located across over 30 countries in Europe and the Middle East. Deloitte NSE is committed to the Deloitte Global Supplier Code of Conduct and building on it to address local risks, opportunities and priorities associated with our procurement activity.

The intent of this Responsible Procurement Policy is to transparently communicate Deloitte NSE's ("we", "us", "our") environmental, social and governance (ESG) minimum requirements and additional criteria for current and prospective suppliers.

These expectations are intended to ensure that all Deloitte NSE's procurement activity helps us to meet our business needs in a manner that delivers on [our WorldClimate objectives](#) and actively contributes to tackling the broader environmental and social challenges we collectively face.

Suppliers' performance against them will inform our decision-making throughout the procurement process, where relevant to the product or service provided.

Section	Applicable to:	Required or encouraged
Minimum Requirements		
1 - Legal Compliance	All suppliers	Required
2 a-d - Social & Governance	All suppliers	Required
3 a-d - Environmental	All suppliers	Required
3 e-j - Environmental	Strategic Suppliers	Required
3 e-j - Environmental	All suppliers	Encouraged
Additional Criteria		
4 a-f - Social & Governance	All suppliers	Encouraged
5 a-c - Environmental	All suppliers	Encouraged

Deloitte NSE's Minimum Requirements

Deloitte NSE requires **all suppliers** to meet the requirements set out below, where applicable, in connection with the operations of their businesses and provision of goods and services to us, and to apply comparable requirements in their own supply chains:

1. Legal Compliance

- a.** Comply with all applicable laws, regulations and standards.

2. Social and Governance Conditions

- a.** Uphold basic human values and protect human rights in accordance with the principles of the Universal Declaration of Human Rights and the International Labour Organisation (ILO). This includes:
 - i.** Provide a work environment that is physically and mentally safe and healthy and take necessary precautions to prevent accidents and injury.

- ii.* Mitigate discrimination in recruitment, employment and procurement practices and foster a culture of equality, dignity and respect for all. This includes not being engaged in abuses, like subjecting workers to demeaning conditions or tolerating any forms or threats of harassment.
 - iii.* Respect workers' rights of free association; this includes not hindering workers from legally organising or joining associations and unions or collective bargaining.
 - iv.* Maintain practices in which workers are not subjected to human trafficking or modern slavery. This could include servitude, forced or compulsory labour, debt bondage, deceptive recruiting for labour or services and child labour, including hazardous work and work that is likely to interfere with the child's health or development.
- b.* Comply with local laws and regulations in respect to human rights and conditions of employment, hours of work, entitlement to leave and appropriate working conditions for all workers, including contractors and casual workers. Pay the minimum legal wage or a wage that meets local industry standards, whichever is greater.
 - c.* Uphold standards of fair business practice and implement reasonable practices to prevent bribery in all forms and support efforts to fight corruption. Avoid bias or conflicts of interest to override its professional judgements and responsibilities. Also, do not engage in or assist any third party with money laundering, terrorist financing or other financial crime activities.
 - d.* Abide by domestic and international standards and legislation in regard to the protection, collection and proper handling of confidential and personal information.

3. Environmental Conditions

- a.* Comply with all applicable environmental protections, environmental laws and standards, and have all required permits, licenses or equivalent in place.
- b.* Support us to only consume what we need to, including by taking reasonable steps to extend product lifespans.
- c.* Take reasonable steps to conserve natural resources, including the use of energy, water, land and associated materials. For example, reduce the use of plastics and packaging across the product's lifecycle.
- d.* Take reasonable steps to minimize negative environmental impacts, such as greenhouse gas emissions, hazardous pollutants and waste.

Furthermore, Deloitte NSE requires all strategic suppliers and invites all suppliers to:

- e.* Commit to setting a science-based net-zero goal (including near-term and long-term greenhouse gas emission reduction targets) consistent with limiting global warming to 1.5°C above pre-industrial levels via the Science Based Targets initiative (SBTi) or equivalent within one year of contracting with Deloitte, and share confirmation of this commitment with Deloitte.
- f.* Set such goal(s) within two years of contracting with Deloitte, and have it externally validated by the SBTi or equivalent.
- g.* Set a target that 100% of the electricity used shall be from renewable sources by 2030 within one year of contracting within Deloitte, and publicly report progress annually.
- h.* Calculate their greenhouse gas emissions inventory inclusive of Scopes 1, 2, and 3 (including all relevant categories of Scope 3, including Purchased Goods and Services) annually following the latest version of the World Resources Institute (WRI)'s GHG Protocol Corporate Standard and Corporate Value Chain (Scope 3) Standard.
- i.* Publicly report their greenhouse gas emissions inventory inclusive of Scopes 1, 2, and 3 (including all relevant categories of Scope 3, including Purchased Goods and Services) annually, together with progress towards achieving their science-based net zero goal.
- j.* Complete, upon request, the CDP Climate Change questionnaire including the Supply Chain section of the questionnaire regarding products and services provided to Deloitte.

Deloitte NSE's Additional Criteria

At Deloitte NSE we aspire to work with like-minded organizations proactively striving to make an impact that matters on climate change, nature and society. In addition to our minimum requirements set out above we invite suppliers to work with us to meet a number of additional criteria set out below, and we welcome ideas from our suppliers on how we can be even more responsible through our procurement activities.

4. *Social and Governance:*

- a.** Communicate business standards and expectations clearly.
- b.** Take a living wage approach to fair compensation for all workers, ensuring that they can meet their everyday needs.
- c.** Create jobs and facilitate opportunities for people from underrepresented groups and with a distance to the labour market.
- d.** Encourage increased participation of enterprises championing and supporting diversity, social enterprises and small-and-medium-sized enterprises (SMEs) in our supply chain.
- e.** Embed controls and due diligence processes to assess human rights impacts within own operations and supply chain, take appropriate steps to mitigate and remediate risks or issues identified, and report in accordance with applicable laws and regulations.
- f.** Maintain confidential processes that encourage employees and contractors to report incidents of unethical behaviour without (fear of) retaliation.

5. *Environmental:*

- a.** Implement a circular economy strategy encompassing raw materials acquisition, product/service design, production, distribution, consumption and end-of-life. In particular, maximise the use of renewable, reusable and/or recyclable alternatives to limit the use of fossil fuels and single-use plastics.
- b.** Take steps to halt and reverse nature loss and move towards a vital natural ecosystem, including healthy soil, clean water and air; ensuring operational adherence to World Health Organisation (WHO) and other applicable standards through regular monitoring and preventative and remedial action.
- c.** Attain best practice sustainability certification relevant to their product or service, such as demonstrating alignment with global efforts to halt deforestation or reduce energy use.

Implementation

Our aim is to integrate environmental and social sustainability into every aspect of our procurement process, from supplier sourcing and selection through to contract management and performance evaluation, and we will be taking steps to expand and elevate sustainability provisions over time.

Deloitte NSE aims to collaborate for better outcomes for all to the extent possible and appropriate, and to be guided by risk, materiality and influence. We are committed to engaging with suppliers and overcoming related challenges together.

We expect that appropriate documentation providing evidence of compliance with this Responsible Procurement Policy will be made available to Deloitte NSE firms, upon request, via appropriate channels. We reserve the right to seek relevant information in a prescriptive manner where necessary to enable regulatory compliance.

When required, based on perceived risk of non-compliance or otherwise, we may ask for additional details about a supplier's actions to comply with this Responsible Procurement Policy, and what the supplier has done or is planning to do to improve performance. This could include:

- receiving regular updates
- agreeing a recommended plan for improvement
- undertaking or requesting a review/audit of the supplier's compliance
- making a supplier a non-preferred supplier in the future, or discontinuing a current commercial relationship with a non-compliant supplier in the event of ongoing non-compliance

In the event of any material non-compliance with any aspect of the Responsible Procurement Policy that directly or indirectly impacts Deloitte we expect that we would be made aware as soon as possible. Deloitte NSE provides an accessible and trustworthy misconduct reporting mechanism to allow reports of suspected violations of this Responsible Procurement Policy. Suppliers or the public can:

- Report suspected violations by email. We will protect the confidentiality of reporters and, when requested and not prohibited by law or regulation, anonymity; understanding that any information provided will need to be disclosed internally for further review.
- Report suspected violations to Deloitte Speak Up, which protects confidentiality for reporters and, when requested and not prohibited by law, anonymity. You can contact Deloitte SpeakUp via the website deloittespeakup.ethicspoint.com and share a concern online or by phone.

Document control information

This policy applies to all suppliers to the Deloitte NSE network which includes firms in Belgium, Central Mediterranean (consisting of Italy, Greece and Malta), Cyprus, Ireland, the Middle East, the Netherlands and the Nordics (consisting of Denmark, Finland, Iceland, Norway and Sweden), Switzerland and the UK.

This policy was agreed by the NSE Operations & Transformation Committee ("NSE OTC") on behalf of the NSE Executive, who are accountable for its implementation. The policy, together with its accompanying internal implementation guidelines, will be reviewed by the NSE OTC on an annual basis to evaluate continued relevance and alignment with best practice, monitor compliance, and drive continual improvement.

Date: 03/07/2024

Signed:



Morten Ry
Managing Partner Operations, Deloitte NSE LLP

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