

# Skanska Sustainable Procurement

Incorporating procurement policies for supply chain:

- Health, safety and wellbeing
- Responsible sourcing
- Equality, diversity and inclusion
- Environmental management and green sourcing
- Best Value
- Quality management
- Supply chain response

# Contents

Introduction  
2

Key principles  
3

Health, Safety and Wellbeing  
5

Responsible sourcing  
7

Equality, diversity & Inclusion  
10

Environmental management and green sourcing  
12

Best value  
15

Quality management  
18

Supply chain response  
20



## Introduction

This document sets out the Skanska approach to sustainable procurement, expanding on and supporting the principles outlined in Section 2 of the Skanska UK Procurement Policy and the Skanska AB Supplier Code. The new Skanska AB Supplier Code can be viewed at <http://www.skanska.co.uk/About-Skanska/Our-Code-of-Conduct/> and reflects the increasing importance of ethics in the global marketplace, clarifies what Skanska expects to be adopted throughout the supply chain. It compliments and should be read in conjunction with the detail contained within this document. The document acts as guidance for both internal buyers, specifiers and for current and prospective suppliers.

Sustainable procurement is defined by Skanska as 'meeting our customer requirements by the best value sourcing of products and services taking into account environmental, social and ethical aspects over the whole product or service lifecycle. Skanska see this as essential and efficient business practice, which is integral to the way we work. It helps us to make properly informed and balanced decisions when procuring the products and services needed for our projects.

The term supplier is used in this document (unless otherwise stated) to mean the provider of materials, products, equipment, works or other services. It is used as a collective term for a material or equipment supplier, sub-contractor, trade contractor, consultant or professional service provider.

Skanska will only do business with responsible suppliers who understand the nature of the products, materials and services they are supplying, and who recognise their responsibility to protect the environment and foster good relations with their employees and local communities.

The key responsibility of all Skanska Group companies is to develop and maintain an economically sound and prosperous business. Skanska assumes its responsibilities towards the communities and environments in which we operate, towards our employees, business partners and society in general.

Therefore we have defined some key foundations for our performance:

- We comply with legal requirements that apply in the countries where we do business.
- We are committed to do business with a high degree of integrity and ethics.
- We respect the United Nations Universal Declaration of Human Rights (<http://www.un.org/en/documents/udhr/>) and recognise our responsibility to observe those rights that apply to our performance towards our employees and the communities in which we operate. This commitment includes activities that relate to the rights and entitlements of Indigenous People.
- We are open-minded in dialogue with those who are affected by our operations. We respond to enquiries from external parties and communicate with affected parties in a timely and effective manner.

We endeavour to ensure that our projects, our suppliers, agents, joint venture and other partners abide by the principles set out in our Code of Conduct: <http://www.skanska.co.uk/About-Skanska/Our-Code-of-Conduct/> or an equivalent of its relevant core principles.

The application of this sustainable procurement policy helps us deliver the Skanska values within the supply chain:

- Care for Life.
- Act Ethically & Transparently.
- Be Better-Together.
- Commit to Customers.

Skanska requires its suppliers to manage the environmental and social impacts of their business operations. Suppliers should, where appropriate, amend their business practices to ensure that they meet with the requirements of this document our Code of Conduct including the Skanska AB Supplier Code, or an equivalent of its relevant core principles. We will support our supply chain in working towards compliance.



# Key Principles

To achieve our sustainability objectives Skanska expects our suppliers to adopt, and further develop, practices that are environmentally sound, socially responsible and ethical, based upon the following four principles:

## 1. Care for Life –

- We care about the people and the environment.
- We work safely, or not at all.
- We never walk by if we notice unsafe actions.
- We support health and well-being.
- We promote green solutions and conduct our operations in a green way.
- We are accountable for future generations.

## 2. Act ethically and transparently –

- We do business with a high degree of integrity and transparency.
- We live by our Code of Conduct and never accept shortcuts.
- We foster a working climate where everyone can speak their mind.

## 3. Be Better-Together –

- We always strive to be better in all we do.
- We are a learning organization and generously share our expertise.
- We take pride in quality and innovation.
- We build One Skanska teams together with customers, partners and communities.
- We leverage diversity to deliver the best solutions.
- We foster an inclusive culture where we are open and fair, showing trust and respect for each other.

## 4. Commit to Customers –

- We help our customers to be successful in their business.
- We strive to understand their needs and their customers' needs.
- We are here to help our customers turn their visions into reality.

We want suppliers who work with us, in mutual trust, to always deliver what we want, on time, at the right price and in a safe and responsible way.

We will always provide a safe and healthy working environment and pay promptly within agreed terms. We will reward excellent supplier performance through repeat business opportunities and help develop mutually beneficial long term relationships. We will also give our supply chain the space and flexibility to develop and deliver innovative solutions.

### Behaviour in our marketplace

Corruption, bribery and unfair anti-competitive actions distort markets and hamper economic, social and democratic development. Skanska does not tolerate such activities.

- We shall not act contrary to applicable competition laws.
- We shall not, directly or indirectly, offer or give any undue payment or other consideration to any person or entity for the purpose of inducing such person or entity to act contrary to prescribed duties

in order to obtain, retain or direct business or to secure any other improper advantage in the conduct of Skanska's business.

- We shall not, directly or indirectly, solicit or accept any undue payment or other consideration that is given for the purpose of inducing us to act contrary to prescribed duties.
- We record the correct nature of all financial transactions by recording them in accordance with locally accepted accounting principles and in all Group reporting follow International Financial Reporting Standards (IFRS) and applicable Skanska Policies and Rules.
- We have controls in place in our IT procedures to ensure adequate levels of data protection for our clients, employees and supply chain.
- Suppliers shall be able to demonstrate they have procedures in place to deal with the risks of bribery in their organisation in accordance with the Bribery Act 2010.

Skanska requires its suppliers to apply and uphold these key principles within their own business operation and supply chains. We will carry out ethical audits where appropriate.

In addition Skanska is a member of Build UK Group (previous UK Construction) [www.builduk.org](http://www.builduk.org).



# Health, Safety and Wellbeing

## Culture

Skanska is committed to creating and maintaining a positive health, safety and wellbeing culture which secures the commitment and participation of all its employees and suppliers.

Suppliers are required to work actively to prevent work place accidents and work related ill health to create a Safer, Happier and Healthier work environment. The aim under Care for Life is to have zero accidents. In particular Skanska must be informed of any significant potential risks related to the products or services supplied.

The health and safety performance of suppliers will represent a key criterion used in the selection process. Wherever suppliers seek to work for Skanska, they must be willing to adopt Skanska's way of working and Injury Free Environment (IFE) culture.

## Competency

Suppliers must ensure that all work is undertaken in accordance with relevant health and safety legislation ([www.hse.gov.uk](http://www.hse.gov.uk)). It is for the supplier to identify and demonstrate compliance with all relevant legislation both at the tendering stage and throughout the lifetime of the contract and to ensure that suitable monitoring, audit and review systems exist to demonstrate that compliance.

Our supply chain partners are an integral part of the Skanska team. They fully understand the minimum Health, Safety and Wellbeing standards expected of them as being a member of the Skanska Team. These minimum standards go beyond legal compliance and can be found at <http://www.skanska.co.uk/About-Skanska/Supply-chain-collaboration/>. Our supply chain are empowered and committed to continually develop these standards with us to ensure they remain leading standards. Suppliers must also ensure that they maintain a trained and competent workforce appropriate to the duties they are undertaking.

## Communication

Skanska considers that the need to co-operate and co-ordinate health, safety and wellbeing issues is central to successful health and safety management, therefore:

- Suppliers must provide Skanska with all relevant safety documents relating to the work that they are tendering for, risk assessment and method statements. Important messages must be communicated through pre-task briefings and provide the opportunity for effective two-way dialogue between workers, supervisors and management.
- When requested by Skanska suppliers must attend Pre-Start and other Site Meetings at which health, safety, wellbeing and welfare matters pertinent to the work shall be discussed, agreed and formally recorded, ahead of being implemented on site.
- Suppliers are encouraged to share best practice and innovation with Skanska and others on our projects. Health and safety goals, messages and vision should be shared, embraced and acted upon by all.
- Suppliers shall pro-actively report events, issues or concerns to identify opportunities for improvement and, through discussion, help to change behaviour.

## Controls

Suppliers must have in place effective Health and Safety management systems, appropriate for the nature and scale of their business and services provided, ensure compliance with health and safety law generally, as well as standards and codes specific to their area of work. Suppliers shall ensure that all occupational health and safety risks are mitigated by using appropriate risk management strategies and establishing a suitable assurance regime.

Suppliers should seek to drive performance beyond management system requirements and demonstrate innovation and continual improvement.

### Contractors

Suppliers must ensure that any sub-contractors or other third party organisations engaged by them on Skanska projects are fully aware of and compliant with the afore-mentioned provisions by employing an appropriate prequalification and capability assessment and approved by the contract Director and safety manager. Further requirements are detailed in the Skanska UK EHS standards document and useful guidance can be obtained from the Health and Safety Executive (HSE) leadership and worker involvement toolkit ([www.hse.gov.uk](http://www.hse.gov.uk)).

### Occupational health and wellbeing

Skanska's health and wellbeing strategy has 3 areas of focus: Workplace, Worker and Wellbeing but it is recognised that there are significant health risks within the construction industry and therefore, we have placed significant importance to demonstrate that we manage our health risks and we expect suppliers to show the same attention to the workplace and worker. Skanska has a responsibility and accountability to ensure our supply chain partners are able to meet the terms of the contract and that includes health and wellbeing. All suppliers will be subject to periodic inspection and audit of their health and wellbeing programme by Skanska or external audit team, such as LRQA.



## Responsible Sourcing

Suppliers must undertake to act in accordance with the Skanska Code of Conduct including the Supplier Code of conduct, or an equivalent of its relevant core principles, in the performance of any agreement. This undertaking shall also include their subsidiaries or sub-contractors. This means that all products and services supplied must have been produced in compliance with all applicable laws and regulations throughout the entire supply chain.

Suppliers shall ensure that products and services are sourced and produced under a set of internationally acceptable environmental, social and ethical guidelines and standards. Suppliers are required to provide information to show full transparency on the origin of products and materials, including all stages of extraction, manufacturing and distribution and the identity of all parties in the supply chain. Where required, these must be disclosed at the tender stage when requested.

Skanska complies with the 10 principles of the UN Global Compact and supports the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises. We expect that our suppliers encourage and work with their own supply chain to ensure they also meet the principles of the UN Global Compact ([www.unglobalcompact.org](http://www.unglobalcompact.org)).

All suppliers shall work actively to ensure that no ethical breaches occur, as defined in the Skanska Code of Conduct including the Supplier Code, by preventing all forms of corruption, including but not limited to extortion and bribery. This includes a commitment to comply with any applicable competition (anti-trust) laws. Suppliers shall be able to demonstrate they have procedures in place to deal with the risks of bribery in their organisation in accordance with the Bribery Act 2010.

Skanska operates a code of conduct hotline and would encourage suppliers to report any suspected ethical breaches. Full details of how to report incidents can be found at <http://www.skanska.co.uk/About-Skanska/Our-Code-of-Conduct/>.

### Supply of information

All suppliers must be willing to provide information to Skanska about a product or service's social, environmental and ethical trade credentials. The supplier should be prepared to disclose the locations of all production and warehouse locations fully to Skanska. If Skanska considers that any information provided warrants further investigation, the preferred course of action would be to commission an independent auditor to examine the information provided, which could be at the expense of the supplier.

### Conflict of interest

When acting as a representative of an employer or other party, we all are responsible for making decisions in the best interest of that employer or party without regard for personal gain. Conflicts of interest can be rooted in hospitality and entertainment, gifts, charitable contributions, political contributions, sponsorships and close personal relationships. Skanska strives to operate in a manner in which conflicts of interests are actively avoided, and we require our supply chain to do the same. The supply chain should avoid situations that in their work with Skanska may present a conflict of interest or appear to do so. Skanska requires the supply chain to notify Skanska if they become aware of an actual or perceived conflict of interest in your work with Skanska.

### Hospitality and gifts

Skanska does not request, accept, offer, authorize or provide hospitality or gifts that may improperly influence – or create the appearance of improperly influencing our business decisions, or decisions by our customers or others with whom we work. Skanska has established a hospitality and gifts policy that outlines acceptable circumstances and monetary limits for hospitality and gifts. We require the supply chain to not offer or accept hospitality or gifts that may improperly influence or create the appearance of improperly influencing your business decisions or those of Skanska, our customers or others. Should a Skanska

employee requests any type of hospitality, gift or personal service for free or at less than fair market value, we request that you report it to Skanska at the earliest opportunity.

### Labour practices

All suppliers shall note that not only must they undertake to work in accordance with the Skanska Code of Conduct including the Supplier Code, or an equivalent of its relevant core principles, suppliers shall work in accordance with the international agreement made between Skanska AB and the international union of Builders and Woodworkers International ([www.bwint.org](http://www.bwint.org)). Suppliers shall ensure that all factories and premises used in the manufacture and supply of products and services are working towards meeting the provisions of the Ethical Trading Initiative (ETI) Base Code, ([www.ethicaltrade.org](http://www.ethicaltrade.org)) or hold SA8000® certification.

### False Self Employment

Skanska require their suppliers to be compliant with HM Revenue & Customs regulations. We expect all UK tax filings due to have been submitted to HMRC and that all taxes arising have been paid. Skanska also requires its suppliers to comply with the Onshore Intermediaries Legislation and/or the Offshore Intermediaries Legislation.

### Modern Slavery

Skanska seeks to work in partnership with all suppliers to tackle and combat the threat of human trafficking and modern day slavery in the construction industry.

Suppliers shall comply not only with all domestic employment legislation but also with all applicable International Labour Organization (ILO) conventions and protocols and the United Nations Universal Declaration of Human Rights.

To meet this commitment suppliers and their supply chains shall:

- Provide a safe and healthy working environment and be committed to continual improvement
- Provide equal opportunities to people without regard to race, colour, gender, religion, ethnic affiliation or other distinguishing characteristics and not allow discrimination or harassment.
- Provide means for employees and other persons to report concerns and grievances in a manner that ensures proper review and action, without retaliation.
- Recognise employees' rights to form or join trade unions in accordance with applicable national laws and principles.
- Provide training and education opportunities for employees that support their work plans.
- Not employ any person below the age of 15 or applicable higher legal minimum age
- Not use forced labour, slave labour or other forms of involuntary labour at their work sites
- Not allow any practice that would restrict free movement of employees.

### Construction products and materials

All timber products supplied for either temporary or permanent inclusion in the works on Skanska sites must be certified as legally and sustainably sourced, as defined by the UK Government Central Point of Expertise on Timber (CPET). CPET currently approves two certification schemes as providing evidence of legal and sustainable sourcing the Forest Stewardship Council (FSC) and the Programme for the Endorsement of Forest Certification (PEFC). Suppliers must provide Chain of Custody (CoC) evidence, including certificates, delivery notes and invoices to confirm compliance with this requirement. FSC is the preferred scheme, particularly for tropical timber and timber originating from high risk areas. Reused, recovered or reclaimed timber shall be considered compliant if appropriately documented.

For more information please refer to:

<http://www.supplychainschool.co.uk/uk/infrastructure/issues/materials/how-can-we-help.aspx>

Where viable Skanska will give preference to the use of timber and timber products which are assured as 'Grown in Britain'.

For all other construction products and materials, Skanska UK supports and gives preference to procuring from suppliers who are able to demonstrate compliance with a recognised responsible sourcing scheme.

Where a project is seeking Environmental Certification such as BREEAM, LEED or CEQUAL, specific product information or certification may be required and suppliers should refer to the relevant contract documentation.

The two methods currently available for demonstrating responsible sourcing in the UK are:

- Certification to the BRE BES 6001 Framework standard for Responsible Sourcing of Construction Products, including compliant schemes like Eco-Reinforcement (suppliers are encouraged to achieve at least a Very Good rating);
- Membership of a sector specific scheme that complies to BS 8902, verified by a third party.

Minimum standards of ethical performance can be identified through:

- Membership of, and active participation in the Ethical trading Initiative (ETI).
- Sectoral schemes such as TFT Responsible Stone Programme or the Aluminium Stewardship Initiative (ASI).
- SA8000 certification.
- Undertaking a site-specific ethical audit, by a qualified auditor, covering as a minimum SMETA items or the ETI base code. Where an audit identifies Corrective Actions required to meet these minimum standards, a plan must also be produced, implemented and monitored.

#### Renewable fuels

Skanska encourages the use of electric vehicles, biogas and sustainably produced biodiesel. Suppliers using biodiesel must verify if the product contains palm oil. Where it does evidence must be provided to demonstrate that the palm oil is sustainably produced and distributed, for example by reference to the certifications scheme developed by the Roundtable on Sustainable Palm Oil (RSPO) ([www.rspo.org](http://www.rspo.org)).

#### Animal welfare and testing

Where products are likely to have been tested on animals, suppliers should seek advice from Skanska before supplying them. Suppliers should also ensure high standards of animal welfare both for animals that are raised for meat and dairy products, and for animals used for work and transport.

#### Community

Suppliers shall open up employment, apprenticeship, trainee and work experience opportunities to local residents, students, under-represented groups and people experiencing long-term unemployment.

Suppliers shall provide opportunities for local organisations (including SME's, charities and Social Enterprises) and where appropriate, provide training and support to these organisations.

In line with the Public Services (Social Value) Act 2012, suppliers shall identify at tender stage, and deliver defined added social value on our projects.

As an Associate member of the Considerate Constructors Scheme (CCS), all suppliers are expected to abide by the Code of Considerate Practice on, and around the near vicinity of our projects. Suppliers are also encouraged to consider joining the CCS Company Registration or Supplier Registration programmes.



## Equality, Diversity and Inclusion

Skanska's vision is to be recognised as an industry leader in Diversity and Inclusion (D&I) by 2020, both in the UK and abroad. Skanska is committed to promoting equal opportunities to all its employees, customers and supply chain partners. We treat all people equally with respect and dignity including those contracting to supply goods or services. We do not discriminate on the grounds of age, colour, disability, ethnicity, gender, marital status, sexual orientation, religion, faith or on any other unjustifiable or illegal grounds. We engage and develop our supply chain so that it is also diverse in regards to its employees and stakeholders, and reflects the different locations in which we procure and operate.

Skanska is committed to establishing a greater understanding of the diversity of our supply chain and to increasing supplier diversity in our supply chain where possible. For the purposes of our procurement supply chain diversity programme "Diverse Suppliers" comprise of the following sub-sets:

- Small and Medium Enterprises (SME's).
- Ethnic Minority Businesses.
- Suppliers from other under-represented or protected groups.
- Suppliers demonstrating a diverse workforce composition.
- Micro-businesses (i.e. under 5 employees).
- Charities.

Our key objectives are to:

- Promote, support and ensure good labour standards, equality, diversity and inclusion in our supply chain across SME's, BAME's, suppliers from other under-represented or protected groups and suppliers demonstrating a diverse workforce composition.
- Set out the standards that we would like our supply chain to achieve and promote within their own supply chain.
- Support our supply chain to improve the living and working standards of people in the communities we work within.
- Actively provide opportunities for the next generation of construction workers.

Skanska will work with our supply chain to develop appropriate systems that will improve:

- Awareness - to be aware of diverse suppliers that are available to undertake work required within our contracts and have in place strategies that will ensure that barriers preventing supplier opportunities are removed.
- Monitoring - To specify and implement how suppliers at all levels will provide diversity data, how baseline evaluation will be undertaken and how individual members of the complete workforce will be monitored.
- Involvement - Be able to demonstrate clearly a commitment to processes that will ensure that diverse supply chain involvement is optimised in our contracts. Have procedures for monitoring programmes and cater for women, black, Asian and minority ethnic, disabled and other diverse groups.
- Opportunities - To ensure that diverse suppliers are aware of potential opportunities to supply services, receive assistance in understanding the bidding process, are offered support when deemed appropriate and to actively seek out potential tenderers from these categories where appropriate.
- Communities - To ensure local suppliers are used where appropriate. Understand the impact our procurement activities have on local communities and encourage a positive contribution from our suppliers to the local communities in which they work on our behalf. We promote the provision of training, skills development and opportunities for under-represented groups and people experiencing long-term unemployment.

## Diverse Characteristics

Skanska has moved beyond the 'protected characteristics' highlighted by the Equality Act 2010 to encourage greater social mobility across our workforce which enables Skanska to better reflect the communities in which we operate. The characteristics we consider to be diverse are as follows:

- Age.
- Disability.
- Gender.
- Gender reassignment.
- Marriage and civil partnership.
- Pregnancy and maternity.
- Race.
- Religion and belief.
- Sexual orientation.
- Social background – to include; ex-offenders, ex-military, long-term unemployed and individuals not in employment, education or training (NEET's).

## Right to Work

Skanska expects all suppliers to conduct right to work checks of their workforce in accordance with the 'Immigration, Asylum and Nationality Act 2006'. This should not however give way to discrimination of any individual on the grounds of race, nationality, religion or any other protected characteristic.



# Environmental management and green sourcing

Suppliers and subcontractors shall work actively to help Skanska lower the environmental impact, both of our operations and the projects we build for our clients and aid in our objective to move our projects to Deep Green™. All suppliers and subcontractors are expected to work in accordance with the requirements of Skanska ISO 14001 Environmental Management System as a minimum and offer innovative best practice across all areas of the Color Palette™.

## Environmental Management

All members of our supply chain must agree to comply with the Skanska Environmental Policy which can be found at the following link.

([http://www.skanska.com/upload/About%20Skanska/Sustainability/Responsibility/Env\\_Policy.pdf](http://www.skanska.com/upload/About%20Skanska/Sustainability/Responsibility/Env_Policy.pdf))

Suppliers shall have in place effective environmental management systems that are appropriate for the nature and scale of their business and services they provide, that identify and mitigate environmental risks. Where appropriate this may be achieved by working under the direction of Skanska.

## Deep Green target areas

The biggest opportunity to lower our environmental impact lies in the efficient and careful use of natural resources. This means being smarter about the materials and water we use, lowering our carbon emissions, and using less and cleaner energy.

## Energy and Carbon

Suppliers shall seek to fully exploit and offer opportunities for resource and energy optimisation and efficiency. The supply chain is encouraged to use clean, low energy and cost effective sources based on whole life value.

## Carbon

Skanska's objective is to manage and reduce our overall carbon footprint in line with the Governments Construction 2025 strategy (50% lower emissions) and requires its suppliers to support us in achieving this goal. Skanska expects suppliers to understand and measure both the embodied, use phase carbon in the products and materials they supply and the carbon associated with the activities they carry out on site. This will be achieved through early engagement with suppliers, collaborative solutions in identified high impact areas and innovation from the supply chain.

Skanska will request this information in tender documentation and the cost of carbon may be used as a measure that influences decisions made during the procurement process. Suppliers should note the most significant and cost-effective opportunities to reduce carbon emissions associated with a project to add value to their tender, providing supporting evidence as appropriate. On request suppliers will also be required to provide Skanska with all relevant documents relating to the embodied and where appropriate the use phase carbon of the products and services provided.

Skanska would also expect to be kept updated on any carbon savings or losses associated with changes in the manufacturing process of the product or service.

## Materials

We expect our suppliers to be aware of and promote materials with reduced environmental impacts and be able to provide declarations on the embodied impacts of their products. Skanska expects all manufacturers

and suppliers to be working towards adoption of BS EN 15804 compliant EPD for their full range of products and materials. These should be shared in a neutral format that allows integration with BIM software.

Where specifying materials, the supplier is expected to present options that achieve an area weighted average rating of A+ or A.

These tools help with material selection and we expect suppliers to be able to offer us lower impact alternatives where available. Suppliers shall keep details on the substances and materials associated with products and services supplied.

Project specific requirements may be identified for Environmental Certifications such as BREEAM, LEED and CEEQUAL. Skanska is committed to using Healthy Materials. Low VOC products and substances on Skanska's Restricted Substances List should be avoided. Hydrofluorocarbons (HFCs) should be avoided where other safe, technically feasible, cost effective, energy efficient and more environmentally acceptable alternatives exist.

As a guide, suppliers should target refrigerants with a GWP of less than 10 and insulation materials with a GWP of less than 5. Both should have zero ozone depleting potential (ODP). Suppliers shall, as far as is reasonably practicable, minimise the concentrations of heavy metals and brominated fire retardants in products and packaging being supplied. The total content of the heavy metals Cadmium, Hexavalent Chromium Lead and Mercury in packaging or in any packaging components must not exceed 100ppm.

## Water

Suppliers shall support Skanska in its commitment to reducing demand for, conservation and recycling of water resources. We will work with our supply chain to reduce water consumption on our projects where possible by:

- Avoiding water intensive activities.
- Measuring water consumption.
- Improving water efficiency.
- Rainwater harvesting.
- Grey water recycling.

Suppliers should note the most significant and cost-effective opportunities to reduce water consumption to add value to their tender, providing supporting evidence as appropriate. Suppliers should also provide information on the embodied water of the products and materials they supply, and provide information on high intensity water use in their supply chain especially in relation to water stressed areas.

## Use of recycled and secondary materials

Suppliers shall reuse materials wherever viable and maximise the use of recycled or secondary content in products and packaging. Where applicable, they shall provide evidence of recycled content alternatives in their submitted tender and retain information on the recycled content associated with products and packaging supplied so that it is available, upon request, to Skanska.

## Reducing waste

Suppliers shall support Skanska in its commitment to delivering zero waste to landfill, and shortly, zero waste projects. Where practicable, all products supplied will be able to be reused, recycled or recovered, closing the loop as far as possible. They shall provide evidence on waste reducing actions and other opportunities to reduce waste in their submitted tender.

## Protection of assets, property and equipment

Skanska safeguards and protect its assets from damage, theft, loss and misuse, as they are essential to Our business. Assets are either tangible or intangible. Examples of tangible assets are raw materials, money, products, machines and equipment, computers and real estate. Examples of intangible assets are our brand, patents, trademarks, knowhow, trade secrets and copyrights. As a member of the Skanska supply chain you are required to respect the assets of Skanska and its stakeholders and only use assets belonging to Skanska and others as and when appropriately authorized. You do not tolerate theft of assets.

## Packaging

Use of primary, secondary and tertiary packaging should be minimised to that required to be fit for purpose. As a preference tertiary packaging should be made from materials that can be reused (e.g. plastic returnable transit packaging). All other packaging materials must be able to be recycled or recovered by commonly available methods in the UK. Suppliers shall at their expense, where required by Skanska, take back any excess or non-compliant packaging relating to the products and services provided for subsequent reuse or recycling.

## Transport

Skanska encourages suppliers to use low emission transport modes including considering the use of rail or barge where appropriate. In addition, suppliers shall aim to optimise transport efficiency and minimise transport distances through effective planning, use of telematics and driver training. We may require our supply chain to provide evidence of actions taken to reduce transport impacts on our projects.



## Best Value

Skanska develop strong open and transparent partnering relationships with our supply chain, which empowers all parties to have an equal voice and breaks down barriers to ensure the right approach for each project is embedded with the team.

Skanska is fully committed to improving the economy, efficiency and effectiveness of all its activities. The aim shall be to create value for our stakeholders while building for a better society on all our projects for all parties' involved, supply chain included. All procurement of goods and services will be based on best value principles, having due regard to propriety, regularity and legal obligations.

Skanska recognises the importance of working closely with certain parties to bring added value to our Company, Clients and Partner's needs. When appropriate choosing the optimum combination of whole life costs and benefits. This is not necessarily always the lowest initial price option and may require an assessment of the ongoing revenue/resource costs as well as any initial investment.

Skanska requirements will include social, environmental and other strategic objectives and will be specified at the earliest stages of the procurement cycle. The criterion of best value for money is used at the award stage to select the bid that best meets the requirement.

### Whole Life Costs

To determine the appropriateness of using Whole Life Costs to evaluate the benefits of a solution the following items should be considered:

- The project type, particularly with which party the Operation and Maintenance costs sit, as agreement may be necessary between the parties as the investment cost may sit with one party but the benefits with another.
- Assistance and guidance with the development of a lifecycle model or evaluation internally should be sought with members of the Expert Users Group any assessment should follow the principles of ISO 15686 part 4.

Life Cycle Cost Optioneering should be used where variants are compared to a base solution, the results should be evaluated in conjunction with the other elements contained within this document.

### Life Cycle Costs

Skanska's objective is ensure that the best value solutions are delivered, to achieve this requires its suppliers to support life cycle cost analysis. Skanska expects suppliers to demonstrate the costs associated with the use and selection of their products, maintenance costs, energy/ utility usage, durability and the support period for service and like for like replacement of products and components.

Skanska will request this information in tender documentation and the Lifecycle costs may be used as a measure that influences decisions made during the procurement process. Suppliers should note the most significant opportunities to reduce Life Cycle Cost carbon emissions associated with a project to add value to their tender, providing supporting evidence as appropriate. Upon selection suppliers will be required to provide Skanska with all relevant documents detailing the Capex costs, maintenance costs, energy/ utility usage, durability and the support period for service and like for like replacements.

### Partnering and Collaboration

Partnering may be identified through a best value or strategic review to provide opportunities for providing improved delivery. This would necessitate the creation of a sustainable relationship with suppliers to deliver services, carry out major projects or acquire supplies and equipment. The Skanska process for Collaborative Working reflects the requirement for BS 11000 Collaborative Business Relationships, which sets out a

strategic framework specification to allow establishment and improvement of collaborative business relationships and collaborative methodology to underpin sustainable and successful business relationships.

Benefits include:

- Better designed solutions, efficient programs and lower cost.
- Economies of scale and scope with access to new and scarce skills.
- Improved brand and community impact.
- Sharing of best practice in achievement of environmental objectives and information for carbon foot printing.
- Sharing of risk, reward and investment.
- Improved processes ensuring joint objectives are taken into consideration.
- Developing sustainable beneficial partnerships which will enhance our competitive edge and performance.

### Relationship Management

Relationship management is about embedding the right behaviours within an integrated team. Clients are looking to demonstrate collaborative behaviours with partners and suppliers. The key to maintaining a strong sustainable relationship is to ensure that it remains current and drives innovation to bring additional value. Skanska have examples of using various arrangements to incentivise cost-effective solutions with our Clients, Partners and Supply Chain. These have also benefited collaboration by establishing mutual trust through recognition that we are working towards the same goals. Joint management is crucial if relationships are to mature and support people and that business environment. Effective performance and behaviours should be monitored along with issues and disputes which can strengthen relationships if handled effectively.

Skanska draw on the engagement and collaboration expertise we build up on projects to deliver these benefits through working openly with our Clients, Partners and Supply Chain, sharing knowledge and promoting economies of scale.

### Best value country sourcing

Where local sourcing options are not technically feasible or cost effective suppliers are encouraged to explore a Best Value Country Sourcing (BVCS) alternative. However the focus must be on the total cost of acquisition taking into account management costs, supply guarantee, intellectual property protection, supplier reliability and quality, logistics and the potential increased supply line, customs and associated costs as well as environmental, ethical and labour considerations. A low cost country is not automatically a Best Value Country.

### Electronic procurement (eCommerce)

eCommerce describes the use of an electronic procurement system to acquire goods, works and services from third parties. Skanska provides an eCommerce platform to trade electronically and prefers to trade in this way.

This use of information and communication technology reduces the cost, and improves the efficiency and effectiveness of all aspects of the procurement process for Skanska and for suppliers who have the capability to adopt it.

### Contracting terms and conditions

Skanska have committed to pay its supply chain promptly by signing up to both the Construction Supply Chain Payment Charter and the Prompt Payment Code. Benefits to the supply chain include:

- Paying in accordance with agreed standard payment terms.
- Honouring contractual obligations.
- An effective dispute resolution process.
- Respecting the commercial confidentiality of information received.
- Electronic payment (wherever possible).

#### Transparency and fairness

Skanska seeks to make the procurement process as transparent as possible, within commercial and legal constraints. This is to enable suppliers to understand the elements of the process, including the procedures, timescales, expectations and criteria for selection.

#### Incentivisation

We want to reward our best performing supply chain and will introduce incentivisation on key projects to drive collaborative behaviours.



## Quality management

Suppliers shall have in place:

- Effective quality management systems appropriate for the nature and scale of their business and services provided.
- Systems to identify customer requirements and a measure of customer satisfaction
- Efficient and effective delivery processes that minimise waste

Suppliers shall work actively towards Skanska values. The supplier shall in particular inform Skanska of any potential quality risks related to the products or services supplied.

### Supplier assessment

Skanska operates its own management systems in order to continually improve quality, security, or health and safety and to manage risk. Knowing about supplier risks and opportunities plays a key part in Skanska achieving continuous supply chain improvement.

Skanska's ability to realise these improvements is reliant on supplier co-operation and participation in assessment activity. Skanska has developed a range of supplier assessment tools and techniques ranging from a simple questionnaire to a full partnership evaluation activity. Skanska will inform suppliers of what assessment activity is required.

### Key requirements

Suppliers shall at Skanska's request:

- Provide Skanska or its authorised representatives with reasonable access and facilities upon reasonable notice at reasonable times in order to perform compliance audits or similar. This may also include the premises of the suppliers supplier chain, including sub-contractors' premises.
- Provide information for the purposes of examining and checking the supplier's (and relevant sub-contractor's) compliance with the contract and our management systems.
- Provide Skanska with samples of products for evaluation.
- Participate in continuous improvement activities (Lean Construction in relation to supplies or services).
- Promptly inform Skanska from time to time of changes to its business management system status.
- Supply Skanska with a Quality Plan (updated as appropriate) in relation to supplies or services.
- Enrol and actively participate as Members of the Supply Chain Sustainability School and/or the Off site Management School.
- Participate in supplier development programme if proposed & driven by Skanska as part of collaborative work & strategic supplier relationship management programme.

Where defects in the product or service are identified, the supplier shall investigate the issue and report to Skanska its findings and shall implement appropriate correction(s) and corrective action(s) in order to prevent recurrence.

Skanska embraces & promotes the use of Lean Construction Methodology across its businesses therefore utilisation of Lean Construction tools should be clearly demonstrated in suppliers' problem solving approach.

## Building Information Modelling (BIM)

BIM is a collaborative approach to ensure the right information reaches the right people at the right time. It seeks to remove inefficiencies in a paperless environment throughout the entire design to build process. BIM fully supports Skanska's vision of improving safety, efficiency and enabling zero defects during the construction phase. Working with Skanska requires you to comply with all relevant elements of a project's BIM execution plan.

## Collaborative planning

Suppliers shall provide appropriate resource to support Collaborative Planning in projects to production planning systems like Last Planner. These tools create predictable and reliable workflows that help avoid issues with production time, cost and quality. Suppliers will also support Skanska in working to the principles of the collaborative business relationships standard BS 11000.

## Industrialisation and consolidated logistics

Skanska requires its suppliers to support its continued industrialisation of the construction process through innovative product development (including standardisation, prefabrication and modularisation) and leaner on site assembly techniques. Appropriate logistics networks and strategies must also be adopted that maximise the efficiency of supply enabling Just-In-Time (JIT) delivery. Skanska has preferred logistics providers in place which suppliers should engage with in order to determine the best value logistic solution.

## Data protection and information security

Suppliers shall;

- Recognise and adhere to the requirements of the Data Protection Act 1998 to safeguard the rights of individuals in relation to the handling of personal data. Furthermore suppliers and any third parties who hold, use or process Skanska Personal Data, shall do so only in accordance with Skanska's instructions.
- Safeguard confidential data or methods of working, not disclosing them to third parties without the express permission of Skanska.
- Follow Skanska's Information Security Policy, Information Technology Policy, Access Control Policy and Baseline Security Policy when accessing or using Skanska's IT systems.
- Comply with Skanska's Secure Application Development Coding Policy when developing or modifying applications.

Suppliers and any third parties are required to operate their own information security standard that meets the requirements of Skanska's information security management system. These third party systems may be reviewed by Skanska as appropriate.

## Media and external communication

When working on behalf of Skanska it is essential that any external communications activity by suppliers and their employees are respectful, protect Skanska's reputation and that of our clients, are not contrary to the Skanska Code of Conduct (or an equivalent of its relevant core principles) and abide by UK law.

Activities including, but not limited to, press releases, website news stories, social media and case studies about Skanska or Skanska projects must be approved by the Skanska Communications team prior to being published. Social media is any work of user-created video, audio, text or multi-media that is published and shared in a social environment, such as a blog, wiki, web community or video. Examples of social media include, but are not limited to, Twitter, Facebook, LinkedIn, YouTube and message boards on websites.



# Supply chain response

## The tendering process

Application of the policies within this document will be managed through our pre-qualification and tendering process. Skanska will inform prospective suppliers when specific action is required in relation to this document. Skanska will have sustainability objectives it wishes to achieve from a particular tendering process. These will be communicated to all prospective bidders at an appropriate time. However, although for the most part our sustainability objectives will be clearly stated, we will often encourage suppliers to be innovative in their response to how they would meet them.

The evaluation criteria used by Skanska at the Invitation to Tender (ITT) stage will include a range of criteria, but with a focus on value for money and delivery. Additional sustainability criteria may also be included, alongside other specific requirements appropriate to the nature of the product or service being tendered.

## Integrating the policy into management processes

All suppliers must manage the environmental and social impacts of their business operations and supply chains. In particular they must integrate the requirements of this document into their business management processes as appropriate. Steps to achieve this may include:

- Production of written procedures, work instructions or improvement plans to facilitate implementation of all applicable elements specified in this document;
- Identification of person(s) responsible for ensuring implementation of each procedure and/or work instruction;
- Gathering and analysis of performance data in relation to each procedure and/or work instruction; and
- Maintenance of accurate, complete, up-to-date and accessible information records for each procedure and/or work instruction, as appropriate.

Further support and training resources can be found through the construction industry Supply Chain Sustainability School ([www.supplychainschool.co.uk](http://www.supplychainschool.co.uk)) and the Offsite Management School ([www.offsiteschool.com](http://www.offsiteschool.com)).

## Supply Chain Sustainability School

The Supply Chain Sustainability School is a free, virtual learning environment that helps construction suppliers and sub-contractors to develop their sustainability knowledge and competence. The School has a number of sector leadership groups/modules developing specific sustainability competence in facilities management, infrastructure and offsite management.

## Offsite Management School

The Offsite Management School was developed to help the industry with the process Skanska has called Construction Industrialisation and meet the many challenges it provides. Digital design and the use of digital data throughout the value chain will lead to increasing use of offsite manufacturing, just in time logistics and multi-skilled onsite assembly will produce assets that are leaner, greener and more efficient. The school provides a number of e-learning resources on the website aiming to help develop the supply chain. The resources are free of charge and suppliers undergo a confidential online self-assessment to gain access to the school and its resources.

## Use of sub-contractors and third parties

Suppliers are not permitted to use sub-contractors or other third party organisations to supply products or services to Skanska, other than those specified in their tender submission, without first gaining prior written approval from Skanska.

# SKANSKA

---

Skanska  
[www.skanska.co.uk](http://www.skanska.co.uk)

Maple Cross House  
Denham Way  
Maple Cross  
Rickmansworth