

# Sustainability Checklist

Procurement



**PORR**



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## 1. Objective and purpose

### 1.1 Objective

With the UN Climate Conference in Paris, the EU Green Deal and the accompanying new EU Taxonomy Regulation, the discussion on the topic of sustainability has gained in dynamism. On the one hand, new benchmarks, targets and orientation variables are being created by the SDGs (Sustainable Development Goals). On the other hand, the recommendations on climate reporting for companies and investors (TCFD) are providing further impetus.

Due to the high number of suppliers and subcontractors, the construction industry has a complex supply chain. This supply chain harbors the risk of intransparency and makes it difficult to monitor compliance with internal company social, environmental and quality standards. Against this background, sustainable supplier management is a high priority at PORR. The focus here is on building long-term stable supplier and subcontractor relationships - with a high level of attention to social, environmental and economic concerns.

The focus in supplier relationships is on local procurement. This is intended to increase cooperation with local industrial sectors and thus contribute to the development of the local business location, increase the procurement of local products as well as services, and thus create additional jobs. Furthermore, cooperation with local partners not only leads to more planning security and stronger control of the supply chain, but also to a more environmentally friendly handling, in terms of short transport distances and thus also to a reduction of GHG emissions. The most important contribution to local economic development and the pursuit of long-term economic success are the subject of constant dialog with PORR's stakeholders. Fair competition is considered the highest maxim alongside compliance with the law - strict adherence to local regulations, guidelines, standards or employee rights. In addition to locality, in particular compliance with social standards and respect for human rights alongside environmental standards are the most important selection criteria for PORR.

PORR is determined to make a significant contribution to environmental protection. It is committed to reducing environmental impact and continuously improving environmental protection measures. The initiatives extend along the entire value chain. The active involvement of internal and external stakeholders in PORR's sustainability activities is of central importance. Long-term economic success is based on matching the needs of stakeholders with the company's own activities.

With the sustainability criteria catalog for procurement, we aim to offer our business partners in the supplier segment added value by providing a **detailed overview of our focus in the sustainable procurement of goods** and making the **sustainability factors** in the various product groups visible at a glance.

### 1.2 Purpose

This document represents a decision-making aid for the orientation of a sustainable strategy in the area of goods production and procurement of our business partners, whereby the sustainability focus in the specific case is on relevant construction-specific products/service groups.

## 2. Scope, functions and management levels

### 2.1 Scope

The sustainability criteria catalog serves as a **guide** for business partners, suppliers, subcontractors and the service provider segment of the entire PORR Group.



## 2.2 Integrated functions/management levels

The following areas or committees were involved in the development of the sustainability criteria catalog:

- the Procurement department
- the CR department
- the CR Steering Committee
- the Group Management Board

## 3. Description and expactations

### 3.1 Description

The sustainability criteria catalog is divided into the purchasing segments of our product groups. The chapters on each commodity group begin with a general introductory section explaining the materiality of the area, the potential risks or negative impacts on society or the environment, and an outlook on our related goals. Based on this, PORR's expectations of its business partners are formulated and commodity group-specific standards, labels and ratings are listed.

### 3.2 Expactations

With this sustainability criteria catalog, we call on our business partners in the supplier segment to orient their business activities to the criteria and instructions listed here and thus to contribute to the further optimization of our business relationships and more sustainability in the procurement area. We expect the standards listed below to be complied with and to be supported by appropriate evidence.

## 4. Commodity group: energy/fuels

### 4.1 General information

The industry's high energy consumption, including the use of fossil fuels, results largely from the extraction of raw materials, the transport of construction materials, construction site operations, administrative infrastructure and, in particular, the project utilization phase. The sector's high energy and fuel consumption causes **high resource consumption** on the one hand and **negative environmental impacts** on the other. Due to the high consumption of resources, the construction and real estate industry has a central responsibility for environmental and climate protection.

*As a sustainable, internationally active company, PORR's goal is to continuously improve its energy efficiency and thus reduce energy requirements. A further focus is on increasing resource efficiency.*

### 4.2 Action plan

As a PORR partner company, we expect you to comply with both the statutory energy-specific environmental protection requirements and the specifications defined in the **PORR environmental management system** and to actively contribute to combating climate change. Ecologically responsible business conduct also has an effect in the form of a good supplier rating.

## 4.3 Relevant standards, management systems, labels and ratings

- ISO 9001:2015 (Quality management system)
- ISO 14001:2015 (Environment management system)
- ISO 50001:2018 (Energy management system)
- ISO 45001:2018 (H&S management system)
- Carbon Trust (CO<sub>2</sub>-reduced, climate-neutral, etc.)
- C2C (Cradle to Cradle-Certificate)
- CDP Climate Change
- EcoVadis
- Equivalent certificates, labels or ratings in the field of energy/fuels

## 5. Commodity group: water

### 5.1 General information

The limited availability of water as a resource calls for conscious and efficient use. Even though PORR uses significantly less water compared to more water-intensive industries such as textiles or food, PORR is aware of its social responsibility in dealing with water. PORR aims for a sustainable approach to water by ensuring its protection and safeguarding in its area of responsibility. To this end, we adhere to the guidelines of our **Water Policy**.

*PORR's goal is to promote the sustainable and efficient use of water and at the same time optimize the water footprint.*

### 5.2 Actionplan

As a PORR partner company, we expect you to comply with the legal water protection regulations as well as the specifications defined in the PORR Management System for the Environment and at the same time actively invest in the responsible use of fresh water. This includes minimizing water consumption and complying with legally regulated standards for wastewater discharge. Ecologically responsible business conduct also has an impact in the form of a good supplier rating.

### 5.3 Relevant standards, management systems, labels and ratings

- ISO 9001:2015 (Quality management system)
- ISO 14001:2015 (Environment management system)
- ISO 50001:2018 (Energy management system)
- ISO 45001:2018 (H&S management system)
- C2C (Cradle to Cradle-certificate)
- CDP Water Security
- EU Ecolabel
- Equivalent certificates, labels or ratings in the field of water

## 6. Commodity group: steel/rebar

### 6.1 General information

The construction industry requires a good half of the total steel production. The impact on the environment is correspondingly high, both in terms of resource consumption and energy requirements in steel production. PORR is committed to using resources as sparingly as possible in its construction activities. It is therefore committed to greater resource efficiency. As steel can be recycled any number of times, the separation and recycling of steel components should be promoted. To enable dismantling and recycling, the choice of construction method naturally already plays a major role. During demolition, care must be taken to separate the steel from the other construction waste fractions. New market systems can also reduce the respective consumption of steel-concrete construction methods.

*PORR's aim is to proceed as resource-efficiently as possible in the use of steel. To this end, the recycling of steel is to be promoted by means of separation and reuse in order to reduce CO<sub>2</sub> emissions and save raw materials.*

### 6.2 Action plan

As a PORR partner company, we expect you to comply with both the legal environmental protection requirements and the specifications defined in the **PORR environmental management system** and to actively contribute to more resource or energy efficiency.

Corresponding measures can include steel recycling or the development of resource-saving steel production processes as well as the reduction of fresh water and energy consumption in connection with production. We also expect compliance with legal requirements in the area of social standards, in particular wage and social dumping. Environmentally and socially responsible business practices also have an impact in the form of good supplier ratings.

### 6.3 Relevant standards, management systems, labels and ratings

- ISO 9001:2015 (Quality management system)
- ISO 14001:2015 (Environment management system)
- ISO 50001:2018 (Energy management system)
- ISO 45001:2018 (H&S management system)
- C2C (Cradle to Cradle-certificate)
- CDP Climate Change (Rating)
- EcoVadis (Rating)
- CSC (Concrete Sustainability Council)
- EPD structural steels (or equivalent product declarations)
- Ultra-Low CO<sub>2</sub> Steelmaking (ULCOS)
- BES 6001 (Supply chain management system)
- SustSteel Zertifikat (Sustainability for Steel Construction Products Mark)
- Equivalent certificates, labels or ratings in the field of steel/rebar

## 7. Commodity group: concrete/ballast

### 7.1 General information

The most frequently used building material at PORR is concrete. The production of one ton of cement releases around 700 kg of CO<sub>2</sub>. Slightly less than half of the emissions in cement production are caused by the consumption of heat and electricity, the greater part of the emissions in the chemical reaction that takes place during the conversion of limestone to cement clinker. It is therefore particularly important to PORR that emissions are reduced in the production of concrete.

*PORR's goal is to reduce the consumption of concrete through innovations in order to reduce emissions. When using concrete, attention is paid to the procurement of local raw materials and short transport routes. Compliance with social standards and the preservation of natural resources is an important concern for PORR.*

## 7.2 Action plan

As a PORR partner company, we expect you to comply with both the legal environmental protection requirements and the specifications defined in the **PORR environmental management system**, and that the **procurement of raw materials is carried out locally and on short transport routes** in order to create resource-saving and energy-efficient conditions for the production of ready-mix concrete. Currently, concrete can still be produced in Europe without any problems, as all raw materials required for production are available regionally. Starting points could be, for example, the use of locally produced precast concrete elements, fast-hardening concretes, the use of self-compacting concretes or the use of secondary raw materials from recycling for concrete production. To save valuable gravel resources, the use of recycled concrete or mixed demolition granulate should therefore be pushed.

A new guideline regulates the proportion of recycled aggregates also for structural concrete as defined in DIN 1045-Another measure would be the reuse of waste water for concrete production. The first approach in terms of energy efficiency would be to switch from fossil fuels to renewable energies. In addition, alternative cement production processes that cause fewer emissions are currently being tested.

The use of fly ash, granulated blastfurnace slag and microsilica (concrete admixtures) instead of cement can help to reduce the gray energy value. In addition, a max. water content of 4% reduces the energy that has to be used for drying. **Environmentally responsible business practices also have an impact in the form of a good supplier rating.**

One important aspect is the recycling potential of concrete. Both recycling itself and the use of recycled concrete save important raw materials and ensure fewer greenhouse gas emissions released.

## 7.3 Relevant standards, labels and ratings

- ISO 9001:2015 (Quality management system)
- ISO 14001:2015 (Environment management system)
- ISO 50001:2018 (Energy management system)
- ISO 45001:2018 (H&S management system)
- C2C (Cradle to Cradle-certificate)
- CSC
- IBO Certificate
- Fairstone (Environmental standard for natural stone imports)
- XertefiX (Seal for better working conditions and environmental protection in the Asian natural stone sector)
- Equivalent certificates, labels or ratings in the field of concrete/ballast



## 8. Commodity group: Building materials (for example formwork, timber, stones)

### 8.1 General information

In the future, the aim and purpose of the construction industry will be to find and promote the joint further development of the technical and economic basis for the ecological and economic use of products and product systems. PORR intends to play a significant role in this cycle in the future, and to improve the sustainability of products and processes on construction sites.

*PORR's goal is to pay attention to the origin, method of production and ecological impact when using building materials and to use more sustainable products by means of innovations.*

### 8.2 Action plan

As a PORR partner company, we expect you to comply with both the statutory environmental protection requirements and the specifications defined in the **PORR environmental management system**, as well as to **offer only tested products and proven systems in new construction and refurbishment, especially with regard to energy efficiency**.

Raw material extraction is to be given the same priority as environmental protection.

The focus shall be on recycled products or high recycled content as well as increased use of local raw materials.

Environmentally responsible business practices also have an impact in the form of good supplier ratings.

### 8.3 Relevant standards, labels and ratings

- ISO 9001:2015 (Quality management system)
- ISO 14001:2015 (Environment management system)
- ISO 50001:2018 (Energy management system)
- ISO 45001:2018 (H&S management system)
- EPD (Environmental product declaration - building materials, products or components in terms of environmental impact based on life cycle assessments as well as functional and technical properties.)
- C2C (Cradle to Cradle-certificate)
- Fairstone (Environmental standard for natural stone imports)
- XertefiX (Seal for better working conditions and environmental protection in the Asian natural stone sector)
- PEFC/FSC Baubook (Directory for sustainable building materials, e.g. silicones)
- Equivalent certificates, labels or ratings in the field of building materials

## 9. Commodity group: asphalt/bitumen

### 9.1 General information

The basic components for this product group, such as rock and bitumen, cause a high consumption of resources due to their extraction (quarry and petroleum, respectively) and processing. Bitumen is a by-product of petroleum fractionation and is produced with comparatively low gray energy and emissions. However, when bitumen is processed or at high installation temperatures, air emission limits can be exceeded. The industry is therefore attempting to reduce the mixing and paving temperature of asphalt.

The transport of asphalt produced from this material additionally causes high energy consumption - the optimization of transport distances therefore has a very special focus (area-wide locations).

*PORR is committed to the efficient processing and recycling of available resources. Energy efficiency is an essential part of this, both in processing and in particular in transport.*

## 9.2 Action plan

As a PORR partner company, we expect you to comply with both the legal environmental protection requirements and the specifications defined in the **PORR environmental management system** and to actively contribute to combating climate change. In addition, you should strive for the highest possible recycled content in the product. Ecologically responsible business conduct also has an effect in the form of a good supplier rating.

## 9.3 Relevant standards, labels and ratings

- ISO 9001:2015 (Quality management system)
- ISO 14001:2015 (Environment management system)
- ISO 50001:2018 (Energy management system)
- ISO 45001:2018 (H&S management system)
- European Biochar Certificate (Control of charcoal production and quality)
- Equivalent certificates, labels or ratings in the field of asphalt/bitumen

# 10. Commodity group: C items

## 10.1 General information

Due to the continuously increasing demand for space and the degree of sealing caused by building development and infrastructure measures, the planning significance of all types of space is increasing more and more. PORR is committed to setting sustainable priorities in these areas as well. The term C-parts is generally understood to mean occupational safety products, office supplies, IT supplies or tools and standard parts (screws, etc.).

*PORR's goal is to pay attention to local origin and to select products with regard to their ecological impact.*

## 10.2 Action plan

As a PORR partner company, we expect you to comply with both the legal environmental protection requirements and the specifications defined in the PORR Management System for the Environment and to pay attention to sustainability when processing building material products on PORR construction sites. The focus should be on the selection of high quality raw materials and the avoidance of non-sustainable items. We require regular in-house and external monitoring in accordance with the relevant standards and guidelines. Ecologically responsible business conduct also has an effect in the form of a good supplier rating.

## 10.3 Relevant standards, labels und ratings

- ISO 9001:2015 (Quality management system)
- ISO 14001:2015 (Environment management system)
- ISO 50001:2018 (Energy management system)
- ISO 45001:2018 (H&S management system)
- Certificate for carbon neutrality
- FAIRWEAR (Improving working conditions in production facilities)
- OEKO-TEX (Operating site certification)

- Ökoprofit (incl. environmental report) (reduction of operating costs while conserving natural resources)
- EU Energylabel
- EU Ecolabel (Environmentally friendly products e.g. cleaning agents, lubricants, etc.)
- Equivalent certificates, labels or ratings in the field of C items

## 11. Commodity group: Commodities/IT

### 11.1 General information

Due to the ever increasing digitization, the joint further development of the technical and economic basis for the ecological and economical use of products in the area of office equipment as well as materials and product systems will continue to move into focus.

*PORR's goal is to play a significant role in this cycle in the future and to further strengthen sustainability through the use of recycled and recyclable products and the avoidance of waste.*

### 11.2 Action plan

As a PORR partner company, we expect you to comply with both the statutory environmental protection requirements and the specifications defined in the **PORR environmental management system** and require that a focus is placed on particularly sustainably produced products - high recycling content as well as low CO2 emissions - and that these are labeled accordingly. Ecologically responsible business conduct also has an effect in the form of a good supplier rating.

### 11.3 Relevant standards, labels and ratings

- ISO 9001:2015 (Quality management system)
- ISO 14001:2015 (Environment management system)
- ISO 50001:2018 (Energy management system)
- ISO 45001:2018 (H&S management system)
- Der Blaue Engel (Eco-label for particularly environmentally friendly products and services)
- Nordic Swan (Eco-label in Scandinavian countries for particularly environmentally friendly products and services)
- EU Ecolabel (Products that are more environmentally friendly throughout their life cycle)
- TCO (Sustainability label for IT products)
- Energy Star (Energy saving electrical appliances)
- 100% rePET (recycled PET)
- Fairtrade (Labeling of goods whose production complies with certain social, ecological and economic criteria)
- RSPO (Certified sustainable Palm oil)
- Equivalent certificates, labels or ratings in the field of Commodities/IT

## 12. Commodity groups: temporary staffing agencies

### 12.1 General information

PORR ensures that regulations relating to wage and social dumping as well as occupational health and safety are complied with. For example, in Austria there is a corresponding compliance work instruction for wage and social



dumping as well as employment of foreigners. The applicable regulations must also be complied with by labor leasing companies commissioned by PORR. All business partners undertake to work together in accordance with common values and practices. The Code of Conduct for Business Partners contains binding economic, ethical-social and environmental minimum standards as well as the five PORR principles: Reliability, Cooperation, Recognition, Passion and Pioneering Spirit.

*PORR's aim is to act in accordance with its principles and operate sustainably together with its business partners.*

## 12.2 Action plan

We expect our PORR partner companies to comply with both the legal regulations in the area of labor leasing and the specifications defined in the PORR management system for occupational health and safety. Socially responsible business conduct also has an effect in the form of a good supplier rating.

## 12.3 Standards, labels and ratings

- ISO 9001:2015 (Quality management system)
- ISO 14001:2015 (Environment management system)
- ISO 50001:2018 (Energy management system)
- ISO 45001:2018 (H&S management system)
- Registration with ishap of all suppliers
- Equivalent certificates, labels or ratings in the field of temporary staffing agencies