



SGN

SGN Sustainable Procurement Code

July 2025

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1. About the Sustainable Procurement Code

Our vision is to play our part in a fair and affordable energy transition. We want to partner with likeminded organisations that support our vision and our values.

Our vision and values run through everything we do at SGN, including our procurement practices. This document is the updated Sustainable Procurement Code (“the Code”) for our supply chain stakeholders, including contractors, service providers and suppliers. It sets out to share our procurement principles and ambitions to procure goods and services in a way that achieves value for money, social benefits including in the local communities in which we operate, and benefits for the environment.

We consider sustainable procurement as a vital tool in managing risks, maximising opportunities, assessing value and monitoring performance, while enabling stronger relationships with our supply partners.

To us, sustainable procurement includes three principles:

- **Respect for the planet;**
- **Respect for people; and**
- **Respect for ethical processes.**

As a business we are committed to the UN Sustainable Development Goals (SDGs), which are a strategic blueprint to achieve a better and more sustainable future for all. Throughout this document we have indicated which of the SDGs our sustainable procurement principles align to.

1.1 Compliance with the Code

As a minimum, we expect our supply chain to comply with laws and regulations. This Code is shared with the supplier partners who form part of our top 80% by spend, and we encourage them to recognise and comply with the Code.



2. Sustainable Procurement Principles

The relevant SDGs under this category are:



2.1 Respect for the planet

We have set a target to be net zero by 2045 and our Environmental Action Plan include actions and commitments for us to make progress towards this target.

SGN expects all suppliers to comply with the environmental legislations applicable to their field of operations, including obtaining all necessary permits and follow any conditions set out within. We encourage our suppliers to manage and mitigate any environmental damage and keep records of relevant data.

We commit to work with our contractors, suppliers, and service providers to:

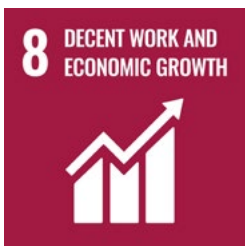
- improve their data reporting and improve the environmental impact of projects and services they provide to us including as appropriate data on waste, material use, transport and other relevant data on carbon emissions;
- strive to embed a lifecycle perspective in our procurement processes and that investment decisions have due regard for the environment by:
 - minimising environmental impacts including carbon emissions, energy intensity, resource consumption, habitat destruction and hazardous or harmful components of products and services; and
 - taking responsibility of any uncontrolled damage in relation to climate change and adopt adaptation and mitigation measures as required.

We work collaboratively with our supplier partners to achieve Zero Emissions. We encourage our supply chain to set carbon emission reduction targets and report actions and progress against such targets to us. We also encourage our supplier partners to set a net zero target for their carbon emissions.

The relevant SDGs under this category are:



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2.2 Respect for people

We believe that true respect for people means fostering a culture where every individual feels safe, valued and empowered to thrive. Our ethos is to ensure everyone is home safe and well, every day. We are fully committed to upholding the highest standards of health and safety and we work together to achieve Zero Harm. We expect all our suppliers to respect basic human rights as established by the European Convention on Human Rights, and to adhere to legislation against child labour, forced labour, modern slavery, and discrimination.

We promote the adoption of occupational safety and health policies. We are also committed to equality, diversity and inclusion and we expect our suppliers to follow the same principles.

2.3 Respect for ethical processes

SGN expects all its suppliers to allow for transparency and accountability within its operations. We have a strict zero tolerance policy towards any form of malpractices within our supply chain, including, but not limited to, bribery, extortion, corruption, and any other illegal practice. We lead by example in this, and we are committed to a fair business environment.



3. Our promise to our supplier partners

3.1 Integrating sustainability into our strategy and operations:

SGN commits to building long-term relationships with our suppliers that bring value for society and the environment, in alignment with our business strategy.

3.2 Support for sustainable practices:

SGN will provide guidance on how to use the Supply Chain Sustainability School which will help our supplier partners to implement sustainable practices in their own organisations. Together, we can innovate and improve practices that benefit both parties and the environment.

3.3 Continuous improvement:

We promise to engage in ongoing dialogue with our suppliers to share best practices and learnings about sustainability. We will work together to identify areas for continuous improvements.

3.4 Monitoring and compliance:

We will continue to monitor and track progress of non-financial metrics. We encourage suppliers to report on their performance as requested and based on the nature of services we receive.

