



Modern Slavery Statement

2024

Balfour Beatty

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Modern Slavery Statement 2024

Section 54 of the Modern Slavery Act 2015 (the Act) states that all UK businesses with a global annual turnover of £36 million must report on the steps they are taking to tackle modern slavery.

This statement has been published in accordance with the Act. It sets out the steps taken by Balfour Beatty plc and other subsidiaries in the Balfour Beatty Group of companies during 2023 to prevent modern slavery and human trafficking in its business and supply chains. It has been reviewed and approved by the Balfour Beatty plc Board on 9 May 2024 and signed on its behalf by Leo Quinn, the Balfour Beatty plc Group Chief Executive. It has also been approved by the boards of Balfour Beatty Group Limited and Balfour Beatty Group Employment Limited.

Foreword

At Balfour Beatty, Doing the Right Thing – operating responsibly, with integrity guiding our actions, is a critical element of how we do business. As part of this commitment, we are determined to fight against slavery and human trafficking. This includes making sure we have the systems and processes in place to ensure that all our dealings and relationships uphold the highest ethical standards.

While we believe the risk of modern slavery within our own operations is relatively low, due to the strength of these systems and processes and our clear line of sight to who we are directly employing, we acknowledge that the potential for incidences of modern slavery is higher within our supply chain – particularly our indirect supply chain. We are therefore actively collaborating with and supporting our supply chain partners to address this pressing issue.

This Statement outlines the steps we have taken in 2023 to combat slavery across our business and supply chain, building on the work we have done in previous years. Our particular focus over the past year has been on supporting our supply chain partners, including mandating them to produce their own modern slavery statements to outline their own approach and mitigating

measures they have in place. We also undertook audits of over 120 suppliers and are taking the significant learnings from this exercise to help us shape our approach in 2024. Furthermore, we are offering free training to our suppliers, empowering them to identify and prevent modern slavery in their operations. This proactive approach enables us to better support our suppliers and collectively put in place tangible steps to address the situations in which modern slavery is able to take place.

The scale of modern slavery, with an estimated 50 million people affected according to the Global Slavery Index, highlights the urgency for collective action. Collaboration with stakeholders, including suppliers, peer companies, recruitment agencies, and governments, is vital to make a meaningful impact. We embrace the transparency encouraged by section 54 of the Modern Slavery Act.

At the heart of our approach lies our Code of Ethics, which reflects our commitment to treating everyone with dignity and respect, while our Cultural Framework serves as our moral compass, guiding our values and the decisions we make. We understand the urgency of addressing modern slavery and remain steadfast in our commitment to finding solutions.

Going forward, our dedication to this cause remains firm. Together with our partners, we are resolute in our pursuit of a future where fairness and respect prevail.



Leo Quinn
Group Chief Executive

Introduction

The UK construction sector employed 2.12 million people as of the fourth quarter of 2023¹ and according to Unseen’s 2022 Helpline Annual Assessment, construction is the second most reported industry for cases of labour exploitation². The reasons for this are many and varied including the dynamic nature of construction projects requiring workers to join and exit a project throughout its lifecycle, creating an environment where it is challenging to identify those workers who are most vulnerable.

In recognition of the higher risk inherent in our sector, our approach to modern slavery is constantly evolving to ensure that we keep pace with the challenges of the changing external environment. In 2023, we focused our efforts across the lifecycle of our interactions with our supply chain partners; enhancing the knowledge and skills within our Procurement team as well as better understanding the maturity of our supply chain partners in relation to modern slavery and ethical sourcing to better support and develop them.

Key activities in 2023 included:

- > Mandating all supply chain partners provide their own Modern Slavery Statement, regardless of size, when pre-qualifying through Constructionline
- > Upskilling and supporting our Procurement team to undertake 1-2-1 risk-based supply chain compliance audits
- > Supporting and developing cross sector collaboration through contributions to industry guidance and toolkits

Throughout 2024, efforts will continue to be directed towards our supply chain, as we continue efforts to upskill our supply chain partners. In line with our behaviour of Collaborating Relentlessly, we will also seek out opportunities to collaborate across the industry to tackle modern slavery from the sector. For 2025 and beyond, we anticipate realigning focus to our operations, including leveraging technology and digital to further drive out opportunities for modern slavery and labour exploitation on our projects.

¹ See Statista: UK construction workforce 2023 | Statista
² Modern slavery in construction is on the rise - Unseen (unseenuk.org)

Our business and supply chain

About Balfour Beatty

Balfour Beatty is a leading international infrastructure group with 26,000 employees driving the delivery of powerful new solutions, shaping thinking, creating skylines and inspiring a new generation of talent to be the change-makers of tomorrow.

We finance, develop, build, maintain and operate the increasingly complex and critical infrastructure that supports national economies and deliver projects at the heart of local communities. Our expert capabilities span three divisions:

Construction Services

- > Our Construction Services businesses operate across infrastructure and buildings markets in the UK, in the US and in our joint venture in Hong Kong. Their capabilities include civil engineering, building, ground engineering, M&E, refurbishment, fit out and rail engineering.

Support Services

- > Our Support Services businesses operate principally in the UK, designing, upgrading, managing and maintaining critical national infrastructure. Their capabilities span electricity networks, rail and highways.

Infrastructure Investments

- > Our Infrastructure Investments business develops and finances both public and private infrastructure projects in the UK and the US. It operates and maintains infrastructure projects and a portfolio of military and multifamily housing and student accommodation assets.

Our customers are government departments and agencies, regulated utilities and private sector organisations.

Our workforce

Balfour Beatty’s workforce is made up of permanent and temporary roles across a breadth of skill levels, employed both directly by Balfour Beatty and via our supply chain partners. Due to the wide range of different contracts that those working with and for us are on, we apply appropriate employment practices and policies for each market and always work within the relevant collective agreements that are applicable to our projects and sites.

In the UK, our HR department follows a rigorous procedure for conducting right to work checks (see page 7). Additionally, once an employee is hired, the onboarding process involves signing the employment contract and receiving training on our Code of Ethics, which includes provisions relating to modern slavery.

We also require all labour agencies to be able to satisfy us that employees all have written employment contracts, have not had to pay for the opportunity to work, and are legally able to work within the UK. Where umbrella businesses are used these services must be provided in line with the Freelancer & Contractor Services Association (FCSA) code of compliance.

Hinkley Point C Marine and Tunnelling works project, Somerset

Our supply chain

Balfour Beatty spends around two thirds of its revenues in procuring goods and services from our supply chain partners. Making sure that we are spending this money wisely, and in a way which leaves a positive legacy, is something which we take very seriously.

We are clear that we will only work with organisations that share our values and vision and that act in the same way with their onward supply chain. We have long-term relationships with the majority of our supply chain partners and take a proactive, risk-based approach to managing the risks of modern slavery in our supply chain, ensuring that it is a part of our supplier due diligence and on-boarding processes, and continually reinforcing messages with supply chain partners about our expectations and standards. We continue to map our operations and our supply chains.

UK

During 2023, Balfour Beatty contracted with over 7,000 supply chain partners in the UK. The supply chain represents a broad range of categories, typically segmented by Subcontract (48.4%), Services (25.7%), Goods (18.5%) and Plant (7.4%).

Breaking this down further, circa 50% of our UK supply chain spend falls within the following areas in the table below.

In 2023, circa 99% of our UK spend was with companies registered in the UK. See page 8 for further detail on our approach to risk assessment of our UK supply chain partners.

| Spend Category | % of overall spend |
|--------------------|--------------------|
| Design services | 9.8% |
| Groundworks | 9.2% |
| Piling | 8.2% |
| Labour | 7.8% |
| Concrete | 5.5% |
| Aggregate and fill | 3.9% |
| Electrical | 3.2% |
| Survey and testing | 3.0% |

US

During 2023, we contracted with over 13,700 supply chain partners across the US. We are committed to upholding the highest standards of ethical behaviour in our US supply chain, where we have long-term relationships with many of our supply chain partners which range from large global corporations to small, independent proprietorships.

As per the Global Slavery Index, the US is considered one of the countries with the lowest risk of modern slavery incidents. Our US business benefits directly from the Trade Facilitation and Trade Enforcement Act, passed in 2016 (TFTEA). TFTEA makes it illegal to import anything into the US that is created by forced labour and / or child labour.

The structure of our US business units is varied, and so we adapt our approach to combatting modern slavery accordingly. Our Code of Ethics explicitly prohibits modern slavery, and this is cascaded down to our supply chain through the inclusion of the US Supplier Standards as provisions in our lower tier contracts, which is particularly relevant where we undertake a construction management role.

To provide additional safeguards, we also implement subcontractor prequalification and third-party due diligence processes. Furthermore, we ensure that the documents of prospective employees are verified independently, and background checks are carried out. Our opportunities in government projects are increasing which also entail stringent employment verification regulations.



Modern slavery and human trafficking policies

Wherever we work in the world, we have policies and practices in place to mitigate the risk of exploitation in both our operations and in our supply chain. We work to uphold the rights of all those who work for or with us and of the communities in which we operate.

Balfour Beatty adheres to a comprehensive suite of policies and standards which are signed off by our Group Chief Executive or their nominated delegate and reviewed annually. These policies and standards reflect the UN Guiding Principles on Business and Human Rights and require compliance with internationally recognised requirements for workers' welfare and conditions of employment. Relevant policies and standards are built into our procurement processes and subcontracts, which require that our supply chain partners agree to commit and comply with them. The key policies are summarised as follows:

Code of Ethics

Balfour Beatty recognises that an ethical culture is a fundamental requirement for a successful, sustainable business. The refreshed principles-led Code of Ethics that was launched in 2022 has continued to be embedded throughout 2023 and remains the foundation of everything we do. It provides a clear direction on the standards, values and expectations that guide the behaviours of our employees and supply chain partners.

The Code of Ethics sets out clearly our rejection of any form of child labour or slavery, including forced labour and our commitment to ensure that slavery and child labour are not taking place in our business or supply chain. Recognising the construction sector is particularly at risk, the Code sets out how to spot the signs of modern slavery in a clear and accessible way. It also signposts that if individuals see or suspect signs of modern slavery, they should not speak directly to the individuals concerned, rather contact Balfour Beatty's Speak Up helpline.

Speak Up policy

We encourage a culture of openness and recognise that everyone plays a role in speaking up when we see or hear something in our workplaces that we think is inappropriate, unethical or illegal. Our Speak Up policy makes clear that we will support anyone with doing the right thing and that we do not tolerate retaliation against individuals who report a problem or assist an investigation. The policy is widely publicised across all our offices and project sites and applies to employees, consultants, contractors and agency workers. An independently managed Speak Up helpline is also available, including to our supply chain partners.



Scan for more information on our Code of Ethics

Recruitment policy

We conduct checks on all prospective employees to verify that they are eligible to work in the UK, acknowledging always that the recruitment of migrants and/or temporary labour is a human rights risk. We do not operate any policy that specifically targets the recruitment of migrants. We comply with the UK's stringent legal obligations in respect of hiring workers who do not have the right to work in the UK.

Sustainable Procurement policy

Our [Sustainable Procurement](#) policy outlines how we will deliver the ambitions in our Sustainability Strategy, Building New Futures, including reducing the risk of modern slavery in our business and supply chain, by raising awareness with our employees and supply chain partners through training courses, toolbox talks, workshops, and other formal and informal communication methods.

Supplier sustainability conditions

We have refreshed and simplified our guidance to our supply chain partners, consolidating this into a single Supplier Sustainability Conditions document that replaces the previous Sustainable Procurement Guidance and Modern Slavery and Labour Exploitation Guidance for Suppliers. The new conditions outline the principles and standards we expect our supply chain partners to abide by.

Please see further details of Balfour Beatty's policies available here:



Business partner standards

We want to do business with partners whose standards are consistent with our own, and who respect our values. We expect all our supply chain partners to adopt clear commitments to ethical business, consistent with those in our Code of Ethics and to always act with integrity. Any partner operating on Balfour Beatty's behalf must ensure that their actions comply with our values, Code, policies and supplier standards. Contracts with supply chain partners include a contractual commitment to comply with the Code and Supplier Standards. Our policies are published and can be found in the Policies section of the [Balfour Beatty website](#).

Our Cultural Framework

Our Strategy
Build to Last
Lean, Expert, Trusted, Safe, Sustainable
Building New Futures

Our Purpose
Building New Futures

Our Values
Lean, Expert, Trusted, Safe, Sustainable

Our Behaviours
Talk Positively, Collaborate Relentlessly, Encourage Constantly, Make a Difference, Value Everyone

Underpinned by our Code of Ethics



Northern Line Extension scheme, Nine Elms

Risk assessment and management

Risk exposure is ever evolving, and our business and supply chain assessments adapt accordingly. We gather intelligence about emerging risks through our industry collaborations and target our efforts where they can make the most impact.

Governance and risk

At Balfour Beatty, we recognise that good governance is essential to ensure modern slavery is effectively addressed. Our Group Chief Executive and the Board of Balfour Beatty plc have ultimate responsibility for our response to modern slavery.

The Board has established procedures to manage risk and oversee the internal control framework. A full assessment of emerging and principal risks is undertaken biannually to consider the effectiveness of the risk management and internal control systems including financial, operational and compliance processes and controls that are in place to prevent occurrence or limit the impact of risks. All risks, including those relating to modern slavery are tracked and managed using the Group risk register, which is part of the Group's bespoke risk management software package. Biannual updates on modern slavery are provided to the Audit & Risk Committee of the Board, as part of the Ethics & Compliance report.

During 2023, we completed Ethical Risk Assessments across our UK and US operations which considered, amongst other things, the extent of modern slavery risk in our operations. Whilst modern slavery was not identified as one of the principal risks in the US, in the UK this was considered to be a low/medium risk rating with three identified improvement actions, all of which have been closed out.

HR UK processes

As part of our onboarding process for new employees, we check the bank details supplied by employees to ensure they will be receiving the money directly into their bank account, this can include a joint bank account. We carry out passport verification checks to ensure that employees have not been forced to use false or forged identity documents and use a digital checking provider (IDSP) to check all right to work documents as part of our onboarding process for all new starters. Additionally, once an employee is hired, the onboarding process involves signing an employment contract and receiving training on our Code of Ethics, which includes provisions relating to modern slavery.

We seek to ensure our recruitment and employment practices are constantly reviewed and aligned with national standards and best practice by working with employers, trade associations and trade unions. These relationships are managed via a combination of continuous informal communication and regular structured meetings; this enables issues to be identified and resolved at the earliest opportunity by working collaboratively to achieve the best outcomes. We also align to 11 national agreements.

Supply chain risks

Based on thorough evaluation, research, and insights gained from our extensive experience in the construction industry, we have determined that the most significant risk of modern slavery lies within our supply chain. This risk is linked to the nature of the sector, which is characterised by a high number of temporary, unskilled workers, as well as the use of contractors and subcontractors.

The International Labour Organization (ILO) has identified the primary labour risks as excessive working hours, payment of recruitment fees, illegal retention of passports, and, in some cases, failure to provide minimum wage payments. To minimise these risks within our supply chain, we collaborate closely with our partners to share best practices and ensure that our ethical values are embedded throughout our entire supply chain.

Supply chain risk assessment

In recognition of the high risk of modern slavery within our supply chain, during 2023 we risk assessed our supply chain partners based on the UK heatmap produced in 2022, which indicated that our two key risk criteria for modern slavery are:

- > Ethical sourcing, defined as categories where there is a high risk for ethical issues within the supply chain including traceability, bribery and corruption, and human rights
- > Modern slavery UK, defined as subcontract categories where there is a risk of labour exploitation occurring on our projects

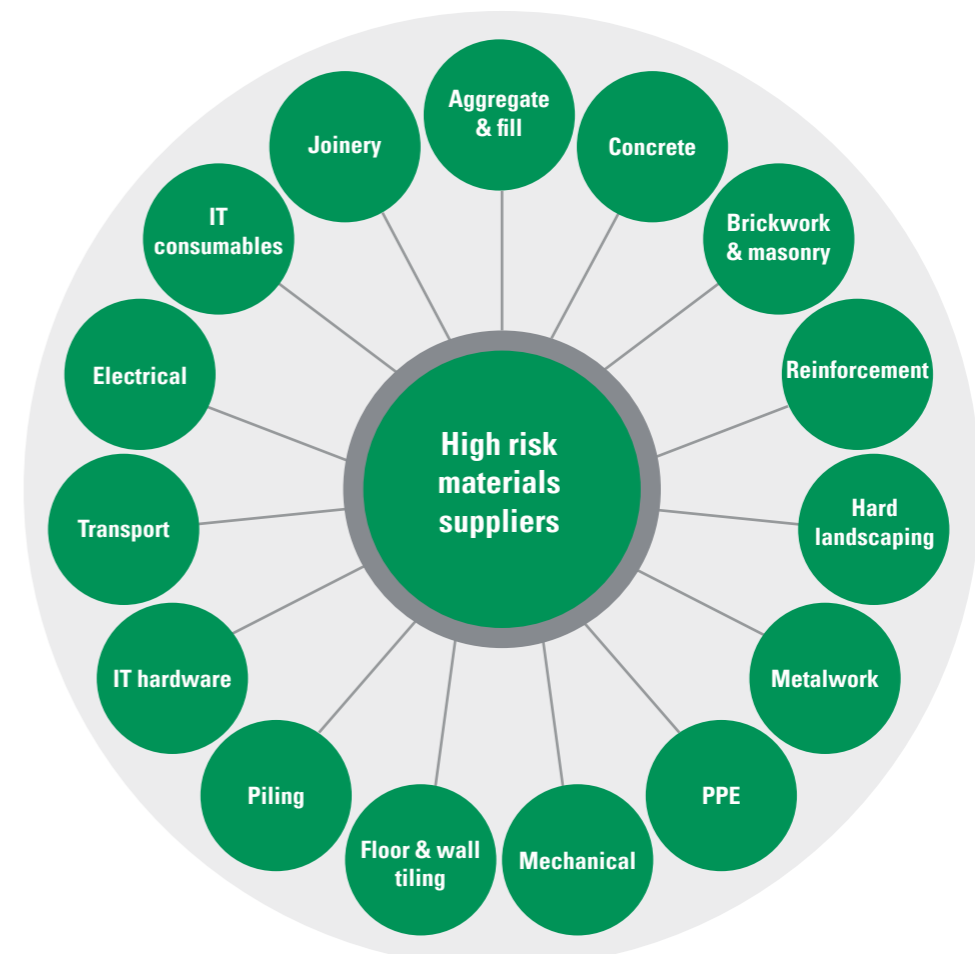
Ethical Sourcing: materials supplier

Materials supplier categories identified as high risk for ethical sourcing are indicated in the diagram below. This informed our approach in relation to the pre-qualification questions to be responded to by these supply chain partners, as well as informing the supply chain partners selected to participate in our supply chain compliance audit. See page 14 for further details.

Modern slavery UK

Through our supply chain risk assessment against our UK heatmap, we identified a number of subcontract categories where there may be a risk of labour exploitation occurring on our projects. These included groundworks, demolition and waste management subcontracts amongst others. In addition, a small number of services subcontracts were identified as being potentially at higher risk including cleaning and temporary staff. The approach adopted following this risk assessment mirrored that for our material suppliers.

UK subcontractors are expected to undertake robust checks on all worker documentation to ensure its authenticity, validity and that the worker presenting matches their documentation. We also expect that all workers should have a written contract of employment and be able to confirm that they have not had to pay any direct or indirect fees to obtain work. They should be paid at least the legal minimum wage and not have wages deducted for accommodation, food or to repay any supposed debt. Workers should be informed of their statutory rights including sick pay, holiday pay and any other benefits they may be entitled to.



Supplier categories identified as high risk for ethical sourcing



Due diligence processes

Our due diligence processes help us to monitor the effectiveness of, and compliance with, our policy commitments, as well as to identify, assess and respond to modern slavery risks, impact and abuses.

Our strategic approach to tackling modern slavery

Our strategic approach to identifying, preventing and mitigating the risk of modern slavery within our business is based on making it difficult for modern slavery to thrive. Equipping people to identify modern slavery and to know what to do if they suspect it, whilst making it clear that we will not work with supply chain partners or source materials from those who do not take it seriously and aim to root it out.

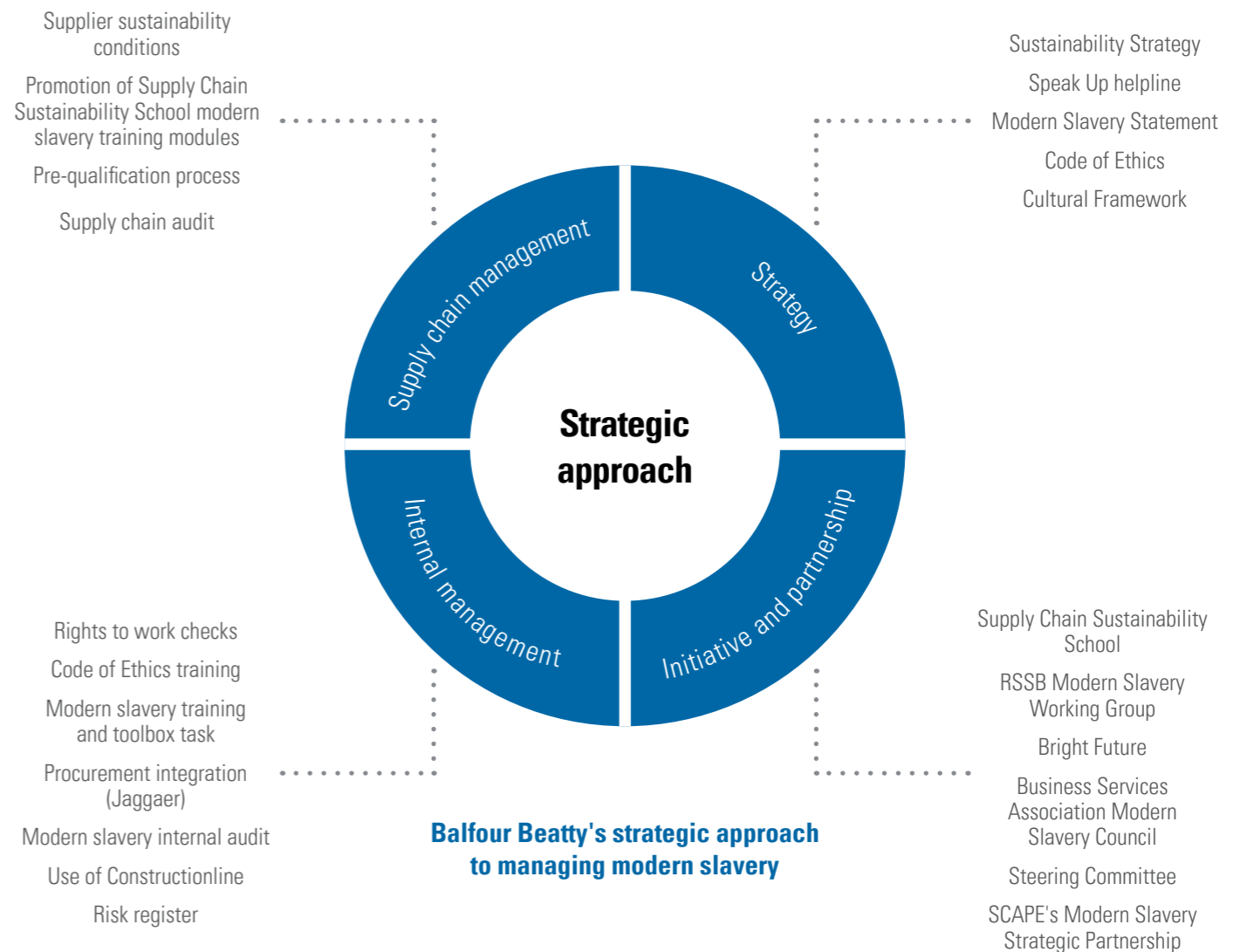
There is no single solution to tackling modern slavery, which is why our approach is multi-faceted and aims to address all of the different, interlinked elements as illustrated by the diagram below.

Case study: Personal protection equipment tender

Through 2022 and 2023, we re-tendered our personal protection equipment (PPE) contract. PPE procurement is an important focus for us which impacts all sites across our UK business operations. During this tender, sustainability was a strong area of focus, in particular ethical sourcing. Sustainability was a key scoring criterion in the three rounds of the tender. We reviewed the ethical sourcing processes for overseas manufacturing, including the use of Sedex Members Ethical Trade Audits (SMETA) to understand the standards of labour, health and safety, environmental performance and ethics at suppliers sites. During the presentation stage we asked the supply chain partners to review two own brand products, a high vis jacket and a pair of work boots and identify where every component in these products came from. We wanted to see that any future supplier would have traceability of their supply chain and would have effective programmes in place to mitigate modern slavery risks.

“Balfour Beatty is a leading organisation in our industry and it’s important to ensure we work with a supply chain with similar behaviours who can support us driving our sustainable strategy goals and continue to uphold the highest level of ethical and responsible sourcing. For this tender, sustainability and ethical practices played a key role throughout to ensure that suppliers met all our requirements and behaviours. I believe change starts with the customer, and it was important we demonstrated sustainability as a key criterion and not a mere additional requirement. Through this due diligence we are confident that we have a chosen supplier who aligns more closely with Balfour Beatty and meets our requirements on a holistic level.”

Emma Harding, Senior Group Buyer





Harkers Island Bridge, North Carolina, US

Supply chain partner due diligence

During 2023, we reviewed our operational practices and the lifecycle of our business relationships with our supply chain partners to identify areas where our management of modern slavery risk could be improved to ensure our partners adhere to the same high ethical standards that we uphold and are aware of and committed to mitigating the risks of modern slavery.

Supply chain partner pre-qualification

As part of the procurement process for selecting supply chain partners, there is an assessment of modern slavery risk. Where a supplier or subcontract package is identified as being at a higher risk of modern slavery, including where indicated by our UK heatmap. Our Procurement team can now select a tailored question set for their tenders. This ensures we are focusing attention on the highest risk areas without over-burdening all of our supply chain with additional tender questions.

To complement this risk-based approach to tender questions and ensure all supply chain partners are aware of and respond to appropriate modern slavery risk management questions, as part of their pre-qualification process we have partnered with Constructionline, a recognised assessment body, to manage the pre-qualification process against the Build UK Common Assessment Standard (CAS). As part of their onboarding process, supply chain partners are required to complete the CAS questions on Corporate Social Responsibility, which includes dedicated questions on anti-slavery and minimum standard working conditions and for suppliers with a turnover over £36 million, requires uploading of their modern slavery statement.

To further enhance our pre-qualification process, we have pledged to require all our supply chain partners, regardless of size or turnover to provide a modern slavery statement in order to work with us where they pre-qualify via Constructionline. Working together with Constructionline during 2023, we have built a private goal to embed and measure compliance with this requirement. To help our supply chain prepare for this change, the requirement was communicated to all supply chain partners in June 2023 and a further communication issued in October 2023 together with a guidance note and template statement to help support our supply chain partners' preparation for these changes.

From January 2024, the requirement for a modern slavery statement will be mandatory for all supply chain partners pre-qualifying on Constructionline. As of Q1 2024, 4706 (40%) of our supply chain partners³ pre-qualified on Constructionline had provided a statement. This excludes those supply chain partners with a turnover over £36m that are required by law to have a statement in place.

Supply chain partner terms of engagement

Several measures are taken to address modern slavery within our supply chain contracts, including requiring our direct supply chain partners to incorporate modern slavery standards in their own supply chains. Our approach to managing relationships with our supply chain partners involves taking into account the contract structure, which reflects the risk of modern slavery and labour exploitation. To ensure that all parties involved are encouraged to proactively address this issue, we incorporate applicable contract terms, collaborative models, and/or Key Performance Indicators (KPI) collection. Additionally, we utilise contractual audit clauses to facilitate supply chain audits to provide reassurance that modern slavery is being effectively addressed and managed.

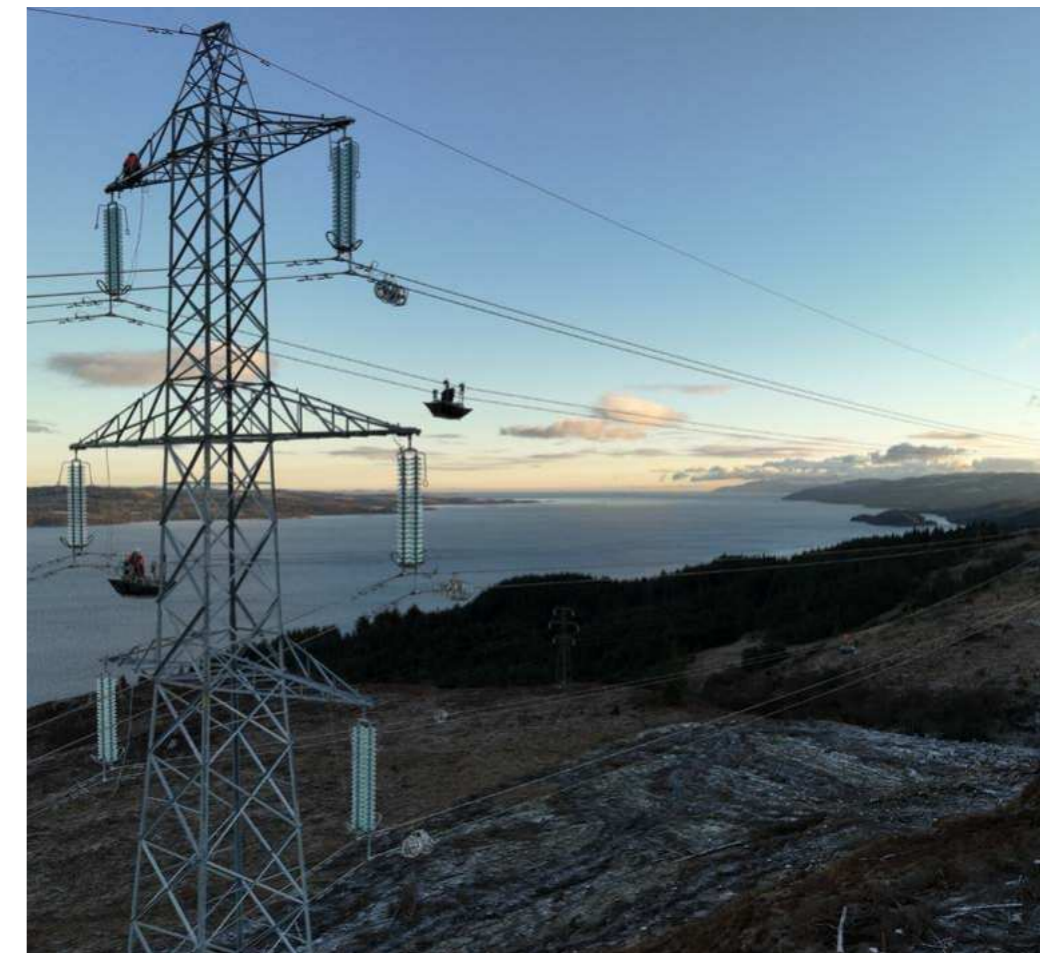
Supply chain partner audit programme

In light of the construction industry being one of the highest risk areas due to its long and complex supply chain and to enhance our approaching to management of modern slavery risk throughout the lifecycle of our projects, during 2023 we developed and implemented a new audit programme. This gave us better visibility and understanding of the maturity of our supply chain in identifying and managing the risk of modern slavery in their own business and in their supply chain.

Enhanced training on modern slavery awareness and the audit programme requirements were rolled out to all members of Balfour Beatty's Procurement team. Through use of the UK heatmap a risk-based approach was then taken to identify the supply chain partners to audit and a new easy to use and informative modern slavery audit was developed and rolled out by our Procurement team. During 2023, the audit programme was completed with 121 selected supply chain partners. As the audit required supply chain partners to share employment documentation, the audits were scheduled to occur at the suppliers' premises to help ensure relevant supply chain personnel were present on the day, and employment documentation was available for inspection.

The new audit programme has achieved a more collaborative process of discovery and improvement where suppliers feel better supported to prevent modern slavery and take responsibility for their own improvement. The audit reports have been automated to signpost supply chain partners to more information and free training resources available from Supply Chain Sustainability School.

In 2024, we commit to completing a further 150 audits on supply chain partners identified as working in areas with higher risk of modern slavery. We have also taken steps to implement a formal process for reviewing the audit findings with suppliers to ensure issues identified are appropriately actioned and improvements made.



Port Ann to Crossaig Overhead Line Works

Ethical labour audits

In addition to our internal programme, we collaborated with a strategic client to roll out an externally facilitated ethical labour audit over four project sites, via a jointly appointed independent auditor with sector experience and expertise. These ethical labour audits conducted worker engagement surveys to understand and assess the labour practices of workers engaged on site, including workers from lower tiers of our supply chain. The workers were interviewed on site (reducing their downtime) in areas of safety where they could not be overheard. During 2024, a further four ethical labour audits will be rolled out on Balfour Beatty projects.

Modern slavery concerns raised in 2023

We take all allegations of unethical behaviour and potential incidences of modern slavery extremely seriously and our Speak Up helpline is available to employees and third parties to allow confidential reporting of concerns. Details of the Speak Up helpline are widely publicised across our sites and offices, including via multi-lingual posters designed to raise awareness of the signs of modern slavery, to signpost to workers how to access help and further support. While in 2023 no reports concerning modern slavery were made to the helpline, we did notice a rise in the number of general Speak Up reports across the Group, with a 59% increase from 2022. We view this as a positive trend attributed in large part to improved employee awareness of doing the right thing and the importance of speaking up.

While no reports concerning modern slavery were received, the internal supply chain compliance audits conducted during 2023 identified four key areas in which our supply chain partners were noted as needing further support in developing. These included: how to identify risk in their supply chain, supply chain due diligence measures, whistleblowing, grievance and worker voice mechanisms and how to ensure subcontractors and workers engaged via labour agencies are receiving at least minimum wage. Please see page 18 for further details of our intended 2024 approach in this area.

The ethical labour audits identified a small number of findings including incorrectly documented right to work checks and not having received written terms and conditions of engagement. Whenever issues that fall below our expectations and the requirements of the Modern Slavery Act are brought to our attention, we work together with our supply chain partners to address them in a timely and effective manner.

Remediation

In recognition of the importance of effective remediation for modern slavery and labour exploitation in the construction sector, we continue to partner with Bright Future, an independent co-operative that aims to fast-track survivors of modern slavery into high quality employment. We remain committed to working with Bright Future to find opportunities to place candidates within the business over the next 12 months.

M25 J10 A3 Wisley Interchange, Surrey



Key performance indicators and measuring effectiveness

During 2023, we self-reflected on our Key Performance Indicators (KPIs) to evaluate their effectiveness in measuring the success of our activities to drive out modern slavery from our operations. As a result, we have refined and updated our KPIs in line with the

CCLA's Find It, Fix It, Prevent It initiative framework⁴, to ensure they are appropriate measures of the effectiveness of the steps taken at Balfour Beatty to minimise modern slavery risk and inform future actions in line with investor expectations.

| KPI | Indicator | 2023 Target | 2023 Achievement | 2024 Target |
|---|--|--------------------|--------------------|--|
| Find it | | | | |
| Conduct supply chain compliance audits | Number of audits completed | 24 | 121 | 150 |
| Fix it | | | | |
| Meaningful response to supply chain compliance audit findings | Number of: (i) supply chain partner development workshops ran (ii) supported action plans put in place | N/a - new for 2024 | N/a - new for 2024 | (i) Two supply chain partner development workshops (ii) 12 supported action plans |
| Prevent it | | | | |
| UK supply chain partners with a modern slavery statement or equivalent, regardless of turnover where pre-qualified via Constructionline | % UK supply chain partners with statement pre-qualified via Constructionline | N/A | 84% | 95% |

⁴ Find It, Fix It, Prevent It (FFPI) is an investor collaboration created, convened and resourced by CCLA, the UK's largest charity fund manager. It was formally launched at the London Stock Exchange in 2019 and is overseen by an advisory committee that brings together investors, academics and NGOs to share knowledge, set targets and monitor progress.

Training and capacity building

Training

Our colleagues and our supply chain partners play a major role in helping us to identify and prevent modern slavery in our supply chain. There are parts of our business where an in-depth knowledge of modern slavery issues is required and during 2023, our Procurement team received tailored e-Learning training to build awareness of modern slavery risk and how to effectively undertake the audit programme.

In order to enhance awareness of modern slavery among our employees, we have included training on this issue as part of our Code of Ethics training for all employees with a Balfour Beatty email address. By delivering this training, we aim to ensure that all our employees are equipped with the knowledge and understanding necessary to prevent and combat modern slavery in all its forms.

For operatives, during 2023 we embedded an element of modern slavery training within the mandatory health and safety induction that all operatives working on a Balfour Beatty project site are required to complete. In addition, the toolbox talks and poster campaign on modern slavery developed during 2022 continues to be deployed.

Communication

We are continuing with our efforts to evolve our sites and other workplaces areas to ensure modern slavery cannot survive. This includes how we make sure that those who work for us and with us are aware of the issues and what to do about it, and how we highlight to those who may be victims of modern slavery ways to access assistance.

For employees with a Balfour Beatty email, our policies, guidance, and training tools are available on our internal intranet. For those that do not have a Balfour Beatty email address, and for our employees and subcontracted workers based on sites we continue to disseminate information and raise awareness of modern slavery and how to identify and report the signs of modern slavery. Communal areas within our site offices are used to display essential information for employees, including our policies, in a range of easily digestible, eye-catching formats. Each week, important notification posters are sent out to sites to highlight issues of key importance, including modern slavery to help reinforce our commitment to preventing modern slavery and sending a clear message that it will not be tolerated within any of our operations.

Balfour Beatty actively encourages two-way feedback via a multi-faceted approach including our annual Employee Engagement Survey to maximise and further enhance engagement. In our 2023 Engagement Survey, 74%⁶ of responding UK and US employees felt empowered to raise concerns and speak up without fear of negative consequence.

Communicating with our supply chain partners to ensure they are aware of our commitment to combatting modern slavery and the importance of collaborative efforts to mitigate this risk, including the critical role they play was prioritised during 2023. In addition to the focused communication campaign to ensure our partners were aware of and supported to put in place a modern slavery statement (page 6), our 2023 Modern Slavery Statement was sent to all supply chain partners in June 2023, together with a one-page summary of those areas of most relevance to them.

Feedback from our supply chain partners on our communications and new audit programme has been positive. The engagement during the audit process has enabled us to provide education and training to increase awareness of modern slavery risks and equip our supply chain partners with the tools necessary to identify and report instances of exploitation, reinforcing the importance of collaborative efforts to mitigate this risk.

Collaborative action

Working collaboratively to increase our understanding and maximise the impact of our actions to tackle modern slavery remains a cornerstone of our approach. We continue to build on our existing collaborative work and partnering with key stakeholders in mitigating modern slavery risks.

2023 External validation and collaboration with industry and academia

Bright Future - We are proud to be a long-standing member of this independent co-operative that aims to fast-track survivors of modern slavery into high quality employment. We remain committed to finding opportunities to place candidates within the business over the next 12 months.

Business Services Association (BSA) - The forum facilitates communication among service providers to address common interests and improve services in both the private and public sectors. During 2023, Balfour Beatty actively contributed to the production of the new BSA toolkit [**“Tackling Modern Slavery in the UK Service and Infrastructure Project Sectors”**](#)

Supply Chain Sustainability School - Balfour Beatty continues to recognise the benefits provided by the Supply Chain Sustainability School which provides no cost resources and training for the construction supply chain with the aim of upskilling and spreading best practice across the industry. As a funding partner of the Supply Chain Sustainability School, we provide support and expertise to many of its working groups, and also co-chair the modern slavery working group. During 2023, Balfour Beatty co-funded two key pieces of research including a procurement guide for solar photovoltaic, setting out the practical steps that can be taken to understand and mitigate the risk of modern slavery in this particular supply chain.

Rail Safety and Standards Board - We participate in and chair the Modern Slavery Solution Sharing group to facilitate cross industry collaboration in managing modern slavery risks on the railway.

Northern Line Extension scheme, Nine Elms



Looking ahead – 2024 actions to mitigate modern slavery

- > During 2024, we will review the feedback on and findings from our 2023 supply chain compliance audits and refine and improve our approach. Our Procurement team will undertake a further 150 audits during 2024.
- > We will carry out a review of systemic risks from the audit findings and take actions in response. This will involve the running of two supplier workshops to upskill our supply chain partners audited in 2023. The training will cover the following areas:
 - » How to identify risk of slavery and / or human trafficking in their business and supply chain including practical steps they can take to assess and manage these risks.
 - » Supply chain due diligence measures they can take in relation to modern slavery including practical steps they can take to assess and manage these risks.
 - » The importance of whistleblowing, worker voice and grievance mechanisms to report concerns about modern slavery and human trafficking.
 - » Practical steps they can take to check that employees of subcontractors or recruitment agencies receive at least the legal minimum wage.
- > We will also roll out 12 supported action plans to assist those supply chain partners identified as needing additional support in developing their approach. Supply chain partners will be supported to take responsibility for the improvement of their modern slavery risk management in readiness for a re-audit in 2024 or 2025.
- > We will continue to engage an independent organisation to undertake ethical labour audits on selected Balfour Beatty sites. A further four audits will be completed over the course of 2024.
- > We will complete an assessment and gaps analysis of our modern slavery programme against the recent British Standards Institute guidance BS 25700, Organisational Responses to modern slavery.

Nuneham Viaduct restoration, Oxfordshire



Edinburgh Futures Institute restoration project

- > We will be rolling out the guidance document for suppliers during 2024 which includes practical and tangible actions they can take, links to external resources and templates for human rights risks (for a risk register) and a modern slavery policy.
- > Building on the training programme in place we will develop and implement further enhanced “spotting the signs of modern slavery” training for operationally based employees.
- > We will work towards introducing the Supply Chain Sustainability School and the BSA modern slavery leads to experts in other sectors, encouraging wider collaboration. We are aiming for a deeper and more meaningful engagement with our peers in this sector, and collaborating cross sector to share lessons learned, as well as engaging with other key stakeholders from NGOs, investors and those in the legislative space.

Appendix 1: Balfour Beatty subsidiaries UK

43 Details of related undertakings of Balfour Beatty plc as at 31 December 2023 continued

Subsidiary undertakings incorporated in the United Kingdom continued

| Entity | Principal activity |
|--|-----------------------------------|
| Bignell & Associates Ltd | Agent of Balfour Beatty Group Ltd |
| Birse Group Ltd | Investment Holding Company |
| Birse Metro Ltd | Dormant |
| Bnoms Ltd ⁽ⁱ⁾ | Nominee Company |
| BPH Equipment Ltd | Agent of Balfour Beatty Group Ltd |
| Cowlin Group Ltd | Dormant |
| Devonshire House Dormant Three Ltd | Dormant |
| Guinea Investments Ltd | Investment Holding Company |
| G. N. Haden & Sons Ltd | Dormant |
| Haden Building Services Ltd | Dormant |
| Haden Young Ltd ⁽ⁱ⁾ | Dormant |
| Hall & Tawse Western Ltd | Dormant |
| Laser Rail Ltd | Agent of Balfour Beatty Group Ltd |
| Lounsdale Electric Ltd | Dormant |
| Manring Homes Ltd ⁽ⁱ⁾ | Property Investment |
| Multibuild (Construction & Interiors) Ltd | Agent of Balfour Beatty Group Ltd |
| Office Projects (Interiors) Ltd | Agent of Balfour Beatty Group Ltd |
| Omnicom Engineering Ltd | Dormant |
| Raynesway Construction Ltd | Agent of Balfour Beatty Group Ltd |
| Strata Construction Ltd | Dormant |
| Urban Fox Networks (UK) Ltd ^(vi) | Infrastructure Concession |
| Hereford Steel Works, Holmer Road, Hereford HR4 9SW | |
| Painter Brothers Ltd | Agent of Balfour Beatty Group Ltd |
| Kings Business Park, Kings Drive, Prescot, Merseyside L34 1PJ | |
| Balfour Beatty Pension Trust Ltd ⁽ⁱ⁾ | Pension Fund Trustee |
| C/O Mc Griggors LLP, Arnott House, 12-16 Bridge Street, Belfast BT1 1LS, Northern Ireland | |
| Balfour Kilpatrick Northern Ireland Ltd | Dormant |
| The Curve Building, Axis Business Park, Hurricane Way, Langley, Berkshire SL3 8AG | |
| Balfour Beatty Ground Engineering Ltd | Agent of Balfour Beatty Group Ltd |
| Balfour Beatty Infrastructure Services Ltd | Agent of Balfour Beatty Group Ltd |
| Balfour Beatty Living Places Ltd | Agent of Balfour Beatty Group Ltd |
| Sunderland Streetlighting Ltd | Agent of Balfour Beatty Group Ltd |
| Testing and Analysis Ltd | Agent of Balfour Beatty Group Ltd |
| Maxim 7, Maxim Office Park, Parklands Avenue, Eurocentral, Holytown ML1 4WQ | |
| Balfour Beatty Construction Ltd | Agent of Balfour Beatty Group Ltd |
| Balfour Beatty Construction Scottish & Southern Ltd | Agent of Balfour Beatty Group Ltd |
| Balfour Beatty Kilpatrick Ltd | Agent of Balfour Beatty Group Ltd |
| Balfour Beatty Rail Residuary Ltd | Agent of Balfour Beatty Group Ltd |
| Balfour Beatty Regional Civil Engineering Ltd | Agent of Balfour Beatty Group Ltd |
| BBPFS LP ⁽ⁱⁱⁱ⁾ | Investment Partnership |

| Entity | Principal activity |
|---|---|
| Glasgow Residences (Kennedy Street) Holdings Ltd | Investment Holding Company |
| Glasgow Residences (Kennedy Street) LLP ⁽ⁱⁱⁱ⁾ | Infrastructure Concession |
| Glasgow Residences (Kennedy Street) SPV Ltd | Infrastructure Concession |
| Hall & Tawse Ltd | Dormant |
| Initial Founder Partner GP1 Ltd | Investment Holding Company |
| Midmill Business Park, Tumulus Way, Kintore, Aberdeenshire AB51 0TG | |
| Balfour Beatty Engineering Services (CL) Ltd | Agent of Balfour Beatty Group Ltd |
| C/O Mazars, Tower Bridge House, St Katharine's Way, London E1W 1DD | |
| Balfour Beatty Power Construction Ltd | Dormant |
| Balfour Beatty Power Networks (Distribution Services) Ltd | Dormant |
| Branlow Ltd | Dormant |
| Mansell Maintenance Ltd | Dormant |
| C/O Mazars LLP, 30 Old Bailey, London EC4M 7AU | |
| Birse Construction Ltd | Investment Holding Company – In Liquidation |
| Edgar Allen Engineering Ltd | Dormant – In Liquidation |
| Mansell plc | Investment Holding Company – In Liquidation |
| West Service Road, Raynesway, Derby DE21 7BG | |
| Balfour Beatty Plant & Fleet Services Ltd | Agent of Balfour Beatty Group Ltd |
| C/O Mazars LLP, 100 Queen Street, Glasgow G1 3DN Scotland | |
| Balfour Beatty Engineering Services (LEL) Ltd | Dormant |
| Lumina Building, 40 Ainslie Road, Hillington Park, Glasgow G52 4RU | |
| Shaw-Petrie Ltd | Dormant |
| 42-44 Clarendon Road, Watford, Hertfordshire WD17 1DR | |
| Barlow & Young, Ltd | Dormant |
| Haden International Ltd | Dormant |
| Fourth Floor, 130 Wilton Road, London SW1V 1LQ | |
| 00158345 Ltd | Dormant |
| 01198171 Ltd | Dormant |
| BICC Dormant One Ltd | Dormant |
| Devonshire House Dormant One Ltd | Dormant |
| Third Floor Devonshire House, Mayfair Place, London W1X 5FH | |
| BICC Thermoheat Ltd | Dormant |
| Notes | |
| (i) Held directly by Balfour Beatty plc. | |
| (ii) 80% owned. | |
| (iii) Partnership interests held. | |
| (iv) 31 March year end. | |
| (v) 81% owned. | |
| (vi) The Group holds a 77.8% direct interest in Urban Fox Networks (UK) Ltd and an indirect interest of 5.6% through the Group interest in Urban Electric Networks Ltd. | |
| Subsidiary undertakings incorporated outside the United Kingdom | |
| Entity | Principal activity |
| Australia | |
| Allens Corporate Services Pty Limited, Level 33, 101 Collins Street, Melbourne, Victoria, 3000 | |
| Balfour Beatty Australian Limited Partnership ⁽ⁱⁱⁱ⁾ | Holding company |

43 Details of related undertakings of Balfour Beatty plc as at 31 December 2023 continued

Subsidiary undertakings incorporated outside the United Kingdom continued

| Entity | Principal activity |
|---|---------------------------------|
| Level 12, 680 George Street, Sydney, NSW 2000 | |
| Balfour Beatty Australia Pty Ltd | Construction & Support Services |
| Bahamas | |
| The Alexander Corporate Group Limited, One Millars Court, P.O. Box N-7117, Nassau | |
| Balfour Beatty Bahamas Ltd | Dormant |
| Canada | |
| Borden Ladner Gervais LLP, 22 Adelaide Street West, Suite 3400, Toronto, ON, M5H 4E3 | |
| BB Group Canada Inc | Investment Holding Company |
| Taylor McCaffrey LLP, 900-400 St. Mary Avenue, Winnipeg, MB, R3C 4K5 | |
| Balfour Beatty Communities GP, Inc | Infrastructure Investment |
| Balfour Beatty Communities, LP ⁽ⁱⁱ⁾ | Infrastructure Investment |
| Balfour Beatty Construction, LP ⁽ⁱⁱ⁾ | Construction Services |
| Balfour Beatty Construction GP, Inc | Construction Services |
| Balfour Beatty Investments GP, Inc | Infrastructure Investment |
| Balfour Beatty Investments, LP ⁽ⁱⁱ⁾ | Infrastructure Investment |
| BB NIH GP, Inc | Infrastructure Investment |
| Germany | |
| Garmischer Strasse 35, 81373 Munich | |
| Balfour Beatty Rail GmbH | Dormant |
| BICC Holdings GmbH | Investment Holding Company |
| Schreck-Mieves GmbH | Dormant |
| Hong Kong | |
| 5/F, Manulife Place 348 Kwun Tong Road Kowloon Hong Kong | |
| Balfour Beatty Hong Kong Ltd | Construction & Support Services |
| India | |
| 6th Floor, N-1 Balsa Block, Manyata Embassy Business Park, Nagavara, Rachenahalli Village, Bangalore – 560045, India | |
| Balfour Beatty Infrastructure India Pvt. Ltd | Engineering Design Consultancy |
| Ireland | |
| City Junction Business Park, Northern Cross, Malahide Road, Dublin 17 | |
| Balfour Beatty Ireland Ltd | Support Services |
| Isle of Man | |
| Tower House, Loch Promenade, Douglas IM1 2LZ, Isle of Man | |
| Delphian Insurance Company Ltd ⁽ⁱ⁾ | Insurance Company |
| Jersey | |
| 12 Castle Street, St. Helier, Jersey | |
| Balfour Beatty Employees Trustees Ltd ⁽ⁱ⁾ | Employee Trust |
| Malaysia | |
| 12th Floor, Menara symphony, No 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor | |
| Balfour Beatty Rail Design International Sdn Bhd | Support Services |
| Netherlands | |
| Rapenburgerstraat 177/B, 1011 VM Amsterdam | |
| Balfour Beatty Netherlands B.V. | Investment Holding Company |
| Romania | |
| 23 General Ernest Brosteanu Street, 1st District, 010527, Bucharest | |
| S.C. Balfour Beatty Rail S.R.L. | Dormant - In Liquidation |
| Sri Lanka | |
| Phase 3 Investment Promotion Zone, Katunayake, Colombo, Western Province | |
| Balfour Beatty Ceylon (Private) Ltd | Support Services |
| Thailand | |
| 9 Soi Santisuk, Sithisarn Road, Huay Kwang, Bangkok | |
| Asia Trade Development Co Ltd | Dormant |

| Entity | Principal activity |
|--|--------------------------------|
| Balfour Beatty Construction (Thailand) Co Ltd | Dormant |
| Balfour Beatty Holdings (Thailand) Co Ltd | Dormant |
| Balfour Beatty Thai Ltd | Dormant |
| Linwood Co Ltd | Dormant |
| United States | |
| 1011 Centre Road, Suite 310, Wilmington DE 19805 | |
| Balfour Beatty Holdings Inc | Investment Holding Company |
| Balfour Beatty LLC | Investment Holding Company |
| 300 Galleria Parkway, Suite 2050, Atlanta, GA 30339 | |
| National Engineering & Contracting Company | Construction Services |
| Balfour Beatty Infrastructure, Inc | Construction Services |
| Corporation Service Company, 1127 Broadway Street NE, Suite 310, Salem OR 97301 | |
| Balfour Beatty Rock Springs, LLC | Construction Services |
| Corporation Service Company, 1703 Laurel Street, Columbia, SC 29201 | |
| National Casualty and Assurance, Inc | Insurance Company |
| Corporation Service Company, 251 Little Falls Drive, Wilmington DE 19808 | |
| Balfour Beatty Campus Solutions, LLC | Infrastructure Holding Company |
| Balfour Beatty Communities, LLC | Infrastructure Investment |
| Balfour Beatty Construction D.C., LLC | Construction Services |
| Balfour Beatty Construction, LLC | Construction Services |
| Balfour Beatty Developments Holdco, LLC | Infrastructure Investment |
| Balfour Beatty Developments, Inc | Construction Services |
| Balfour Beatty Equipment, LLC | Construction Services |
| Balfour Beatty Investments, Inc | Investment Company |
| Balfour Beatty Management Inc | Business Services |
| Balfour Beatty/Benham Military Communities LLC ^(iv) | Infrastructure Investment |
| Balfour Beatty/PHELPS Military Communities LLC ^(iv) | Infrastructure Investment |
| Balfour Beatty Military Housing Development LLC | Infrastructure Investment |
| Balfour Beatty Military Housing Investments LLC | Investment Holding Company |
| Balfour Beatty Military Housing Management LLC | Infrastructure Investment |
| Balfour Beatty – Worthgroup, LLC | Construction Services |
| BBC AF Housing Construction LLC | Infrastructure Investment |
| BBC AF Management/Development LLC | Infrastructure Investment |
| BBC Independent Member I, Inc | Infrastructure Investment |
| BBC Independent Member II, Inc | Infrastructure Investment |
| BBC Military Housing – ACC Group, LLC | Infrastructure Investment |
| BBC Military Housing – AETC General Partner LLC ⁽ⁱⁱⁱ⁾ | Infrastructure Investment |
| BBC Military Housing – AETC Limited Partner LLC ⁽ⁱⁱⁱ⁾ | Infrastructure Investment |
| BBC Military Housing – AMC General Partner LLC | Infrastructure Investment |
| BBC Military Housing – AMC Limited Partner LLC | Infrastructure Investment |
| BBC Military Housing – Bliss/WSMR General Partner LLC | Infrastructure Investment |
| BBC Military Housing – Bliss/WSMR Limited Partner LLC | Infrastructure Investment |
| BBC Military Housing – Carlisle/Picatinny General Partner LLC | Infrastructure Investment |
| BBC Military Housing – Carlisle/Picatinny Limited Partner LLC | Infrastructure Investment |

43 Details of related undertakings of Balfour Beatty plc as at 31 December 2023 continued

Subsidiary undertakings incorporated outside the United Kingdom continued

| Entity | Principal activity |
|---|---------------------------|
| BBC Military Housing – FDWR LLC ^(v) | Infrastructure Investment |
| BBC Military Housing – Fort Carson LLC | Infrastructure Investment |
| BBC Military Housing – Fort Gordon LLC | Infrastructure Investment |
| BBC Military Housing – Fort Hamilton LLC | Infrastructure Investment |
| BBC Military Housing – Fort Jackson LLC | Infrastructure Investment |
| BBC Military Housing – Hampton Roads LLC | Infrastructure Investment |
| BBC Military Housing – Lackland LLC | Infrastructure Investment |
| BBC Military Housing – Leonard Wood LLC | Infrastructure Investment |
| BBC Military Housing – Navy Northeast LLC ^(v) | Infrastructure Investment |
| BBC Military Housing – Navy Southeast LLC | Infrastructure Investment |
| BBC Military Housing – Northern Group, LLC | Infrastructure Investment |
| BBC Military Housing – Stewart Hunter LLC | Infrastructure Investment |
| BBC Military Housing – Vandenberg General Partner LLC ^(v) | Infrastructure Investment |
| BBC Military Housing – Vandenberg Limited Partner LLC ^(v) | Infrastructure Investment |
| BBC Military Housing – West Point LLC | Infrastructure Investment |
| BBC Military Housing – Western General Partner, LLC | Infrastructure Investment |
| BBC Military Housing – Western Limited Partner, LLC | Infrastructure Investment |
| BBC Multifamily Holdings, LLC | Infrastructure Investment |
| BBCS – Northside Campus LLC | Infrastructure Investment |
| BBCS Development, LLC | Infrastructure Investment |
| BB Developments Sub Holdco, LLC | Infrastructure Investment |
| BICC Cables Corporation | Business Services |
| Oktiv (Tallahassee) Owner, LLC | Infrastructure Investment |
| Corporation Service Company, 300 Deschutes Way SW, Suite 304, Tumwater WA 98501 | |
| Howard S. Wright Construction Co | Construction Services |
| HSW, Inc | Construction Services |
| CSC – Nevada, C/O CSC Services of Nevada, Inc., 502 East John Street Carson City, Nevada 89706 | |
| Balfour Beatty-Golden Construction Company | Construction Services |
| Balfour Beatty Construction Company, Inc | Construction Services |
| Balfour Beatty Construction Group, Inc | Construction Services |

Notes

- (i) Held directly by Balfour Beatty plc.
- (ii) Partnership interests held.
- (iii) 80% interest held.
- (iv) 89% interest held.
- (v) 90% interest held.



Midlands Metropolitan University Hospital, Birmingham

Balfour Beatty

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