



Independent Limited Assurance Report to the Directors of Balfour Beatty plc

The Board of Directors of Balfour Beatty plc (“Balfour Beatty”) engaged us to provide limited assurance over Selected Sustainability Information to be reported in Balfour Beatty’s Annual Report and Accounts for the year ended 31 December 2020.

Our conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Sustainability Information for the year ended 31 December 2020 has not been prepared, in all material respects, in accordance with the Reporting Criteria.

This conclusion is to be read in the context of what we say in the remainder of our report.

Selected Sustainability Information

The scope of our work was limited to assurance over the information marked with the symbol **A** in the Annual Report and Accounts (the “Selected Sustainability Information”). Our assurance does not extend to information in respect of earlier periods or any other information included in the Annual Report and Accounts 2020. The Reporting Criteria against which the Selected Sustainability Information was assessed is:

<https://balfourbeatty.com/media/318711/2020-global-sustainability-reporting-guidance.pdf>

Metric	Selected Information	Reported figures
Carbon	• Scope 1 emissions (tCO _{2e})	162,816
	• Scope 2 emissions (tCO _{2e}) – location based	42,701
	• Scope 2 emissions (tCO _{2e}) – market based	38,596

Professional standards applied and level of assurance

We performed a limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) ‘Assurance Engagements other than Audits or Reviews of Historical Financial Information’ and, in respect of the greenhouse gas emissions, in accordance with International Standard on Assurance Engagements 3410 ‘Assurance engagements on greenhouse gas statements’, issued by the International Auditing and Assurance Standards Board. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our Independence and Quality Control

We complied with the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour, and which is at least as demanding as Part A and Part B of the IESBA Code of Ethics.

We apply International Standard on Quality Control (UK) 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable

legal and regulatory requirements. Our work was carried out by an independent team with experience in sustainability reporting and assurance.

Understanding reporting and measurement methodologies

The Selected Sustainability Information needs to be read and understood together with the Reporting Criteria, which Balfour Beatty is solely responsible for selecting and applying. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time. The Reporting Criteria used for the reporting of the Selected Sustainability Information are as at 31 December 2020.

Work done

We are required to plan and perform our work in order to consider the risk of material misstatement of the Selected Sustainability Information. In doing so, we:

- made enquiries of Balfour Beatty’s management, including the Sustainability team and those with responsibility for Sustainability management and group Sustainability reporting;
- evaluated the design of the key structures, systems, processes and controls for managing, recording and reporting the Selected Information;
- performed limited substantive testing on a selective basis of the Selected Sustainability Information to check that data had been appropriately measured, recorded, collated and reported;
- re-performed the calculation to convert underlying activity data into carbon dioxide equivalent emissions;
- considered the disclosure and presentation of the Selected Sustainability Information;
- reviewed the Reporting Criteria to ensure assumptions and judgements have been clearly disclosed; and
- communicated findings and recommendations in a report to senior management.

We have not performed any assurance procedures over the gathering and processing of data by third party providers of distribution services.

Balfour Beatty plc’s responsibilities

The Directors of Balfour Beatty are responsible for:

- designing, implementing and maintaining internal controls over information relevant to the preparation of the Selected Sustainability Information that is free from material misstatement, whether due to fraud or error;
- establishing objective Reporting Criteria for preparing the Selected Sustainability Information;
- measuring and reporting the Selected Sustainability Information based on the Reporting Criteria; and
- the content of the Annual Report and Accounts 2020.

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Selected Sustainability Information is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the Directors of Balfour Beatty.

This report, including our conclusions, has been prepared solely for the Board of Directors of Balfour Beatty Plc in accordance with the agreement between us, to assist the Directors in reporting Balfour Beatty plc's carbon performance. We permit this report to be disclosed online on <https://www.balfourbeatty.com/how-we-work/sustainability/sustainability-report/>¹ for the year ended 31 December 2020, to assist the Directors in responding to their governance responsibilities by obtaining an independent assurance report in connection with the Selected Sustainability Information. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Directors of Balfour Beatty for our work or this report except where terms are expressly agreed between us in writing.



PricewaterhouseCoopers LLP
Chartered Accountants
London
9 March 2021

¹ The maintenance and integrity of Balfour Beatty plc's website is the responsibility of the Directors; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the reported Selected Sustainability Information or Reporting Criteria when presented on Balfour Beatty plc's website.

