

2024 Modern Slavery Statement: Summary of key points for our supply chain partners

Balfour Beatty's [modern slavery statement](#) outlines our efforts to combat slavery in our business and supply chain in 2023 and our plans for 2024. We prioritise ethical standards in all our dealings and will only work with partners who share and uphold our values. In the light of the extensive due diligence which we undertake, including rigorous pre-employment / right to work checks, our assessment is that the risk of modern slavery in our direct business operations is extremely small, but likely to be higher in our supply chain, especially our indirect supply chain. Collaboration with our supply chain partners is crucial. Construction, as per Unseen's 2022 Helpline Annual Assessment, ranks as the second highest industry in terms of reported cases of labour exploitation, underscoring the urgency of our collaborative efforts.

We have summarised in this note, the key points of relevance to our supply chain partners, so that they understand what we expect from them and what our priorities are.

Supply chain partner pre-qualification - From January 2024, the requirement for a modern slavery statement is now mandatory for all supply chain partners pre-qualifying on Constructionline, regardless of size or turnover. 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](#). 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. Where a supply chain partner repeatedly fails to engage with us to provide a modern slavery statement, they will be responsibly exited as a Balfour Beatty partner.

Supply chain audit programme - In recognition of the higher risk of modern slavery within our supply chain, we carried out an audit of 121 selected (labour intensive) supply chain partners. 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. During 2024, we will review the feedback on findings from our 2023 supply chain compliance audits and refine and improve our approach.

We also carried out an ethical labour audit over four project sites, via an independent auditor. 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.

Free training and resources - [The Supply Chain Sustainability School](#) provides resources and training for the construction supply chain at no cost to them. The aim is to upskill and spread best practice across the industry. Balfour Beatty is a funding partner and Gold member of the Supply Chain Sustainability School and also co-chairs the Modern Slavery Working Group. As part of this partnership, we support with arranging and delivering workshops to the supply chain outlining the risks to our business, mitigation methodology, our supply chain heatmapping approach, governance and procedures and top tips for our supply chain partners. We encourage our supply chain partners to access these resources.

Clarity around what we expect from business partners - 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 on 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.

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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.

Clearly signposting how to raise concerns - our 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 for our supply chain partners.

Priorities for 2024 and beyond - Throughout 2024, efforts will continue to be directed towards our supply chain, as we continue efforts to upskill our supply chain partners. This will include completing a further 150 audits on supply chain partners identified as working in areas with higher risk of modern slavery. 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. 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.

We are steadfast in our commitment to prevent abuses by promoting ethical practices, raising awareness, and taking decisive action when needed. We make it unequivocally clear that we will not engage with supply chain partners or procure materials from those who disregard modern slavery or fail to address it. The human toll of modern slavery is immeasurable, and Balfour Beatty is resolute in its mission to contribute to ending these abhorrent practices.