


# Modern Slavery Statement

2026

Balfour Beatty



Craig Murrail 275kV Reinforcement Project, Argyll

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Section 54 of the UK Modern Slavery 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 Modern Slavery Act 2015 (the Act) and the UK Government's Transparency in Supply Chains statutory guidance. It sets out the steps taken by Balfour Beatty plc and relevant subsidiaries within the Balfour Beatty group of companies during the year ending 31 December 2025 to prevent modern slavery and human trafficking in its operations and supply chains.

In preparing this statement, we have had regard to the Ethical Trading Initiative Framework for Evaluation and the expectations set out in the UK Government's Transparency in Supply Chains guidance, including those relating to governance, risk assessment, due diligence, remediation and measuring effectiveness. This statement was reviewed and approved by the Balfour Beatty plc Board on 7th May 2026 and signed on its behalf by Philip Hoare, Group Chief Executive. It was also approved by the boards of Balfour Beatty Group Limited and Balfour Beatty Group Employment Limited.

[1] https://www.ethicaltrade.org/issuesmodern-slavery/modern-slavery-statements-evaluation-framework

Front cover image: M3 Junction 9 Improvements Scheme, Hampshire

# Foreword

## How we deliver infrastructure matters as much as what we deliver.

Across Balfour Beatty, tens of thousands of people contribute to our projects every day – both directly and throughout our supply chain. Every one of them has a right to be treated with dignity, fairness and respect. Anything less is unacceptable.

This is my first Modern Slavery Statement as Group Chief Executive. It reflects the progress we made in 2025, alongside a clear view of where risks remain and where we must go further.

Modern slavery and labour exploitation are real and persistent risks in our industry, often hidden deep within complex supply chains. In some cases, concerns only come to light after harm has occurred. That reality demands constant vigilance – and a willingness to act when issues are raised. We will not tolerate modern slavery in our business or supply chain and, where we find it, we will take action. During 2025, we strengthened how concerns are identified, escalated and investigated, alongside improving visibility across our supply chain and awareness across our project teams. Where issues have been raised, we have taken action – working with independent specialists where appropriate, addressing control weaknesses, and following up to ensure improvement.

At the centre of this work are the people impacted when the systems companies put in place fail and those exploiting others are able to find opportunities to do harm. Over the past year, we deepened our engagement with individuals with real experience of exploitation. Their insight is helping us better understand how vulnerability arises in practice and where our controls need to be sharper. This has informed a more practical and preventative response, including the continued use of the CIOB exploitation spectrum to recognise that harm is not always overt and can develop gradually over time.

This year's Statement provides greater transparency, including expanded coverage of our US business and a clearer view of risks and responses across the UK. While we operate in different legislative environments, we are increasingly aligning our approach where it strengthens protection – establishing a more consistent baseline across the Group while respecting local context.

Many of the most significant risks sit within our supply chain. We expect our partners to share our commitment: treating workers fairly, engaging openly with assessments and demonstrating how risks are being managed in practice. In 2025, we strengthened our approach through deeper assessments, closer engagement with higher-risk supply chain partners and follow-up to track improvement over time.

We are not complacent. Increased reporting of concerns, alongside ongoing reassessment of higher-risk partners, gives us greater confidence that our processes are becoming more effective – but also reinforces the scale and evolving nature of the risk. We will continue to strengthen early risk identification, improve the quality and integration of our data, and increase visibility across our supply chain, particularly in areas where risks are less well understood.

Balfour Beatty builds infrastructure that underpins daily life. We must be equally committed to safeguarding the people behind it. That is not optional. It is fundamental to the kind of business we are determined to be.



**Philip Hoare**
Group Chief Executive

# Introduction

Construction is one of the world's largest employment sectors. In 2025 the industry employed approximately 2.05 million[1] people in the UK and approximately 8.3 million in the United States[2], an all-time high. Together these figures represent a vast and complex landscape across labour, subcontractors and supply chains.

Construction consistently ranks among the highest-risk sectors for labour exploitation. Unseen UK's[3] modern slavery and exploitation helpline data consistently shows that construction has risen and remains one of the most reported industries for cases of exploitation in the UK.[4] This pattern is driven by well-documented structural factors: acute skilled labour shortages, complex subcontracting arrangements, high workforce turnover and the transient nature of project-based work. These conditions mean that vulnerability can exist even where formal policies and processes are in place and that meaningful action requires going beyond audit and policy to understand the lived experience of workers themselves.

In recognition of these risks, our approach to modern slavery is grounded in a human rights led framework that prioritises early identification, effective escalation and prevention. During 2025, we progressed from setting frameworks to embedding them in practice, strengthening how modern slavery and labour exploitation risks are identified, prioritised and managed across the business. This included sharpening risk prioritisation through a double materiality assessment and Human Rights workshop and through the expanded use of the exploitation spectrum to make risks more visible and actionable alongside wider sustainability and workforce risks.

We also strengthened ownership and governance by improving how potential exploitation concerns are identified and escalated through our Speak Up mechanisms, ensuring clearer routing and earlier intervention. Frontline capability was enhanced through targeted engagement and training, including delivery at the UK site supervisor forum, helping supervisors and site leaders to better recognise indicators of exploitation, hold welfare focused conversations and escalate concerns consistently on projects. In addition, we embedded lived experience insight into our approach through delivery of a lived experience led modern slavery workshop for colleagues and key supply chain partners, strengthening understanding of how exploitation can arise in practice and how business decisions may influence risk.

Alongside this, we deepened insight into emerging risks and expectations through active engagement with regulators, investors and industry peers, using these insights to inform ongoing improvements to our due diligence and escalation processes. We also contributed to clearer, more consistent modern slavery reporting across the sector, reinforcing a continuous improvement approach to transparency and effectiveness.

This shift towards operational effectiveness reflects a deliberate focus on prevention as well as response. It recognises that tackling modern slavery is not solely a matter of policy compliance or audit, but of understanding lived experience, strengthening worker voice and ensuring that systems, behaviours and decision making across our operations and supply chains support earlier identification of harm and timely intervention. The sections that follow set out how this approach is applied across our business and supply chain, how we measure its effectiveness, and how we continue to evolve our response.

This shift toward operational effectiveness means asking harder questions: not just whether our supply chain partners have the right policies, but whether workers on our projects know their rights, feel safe to Speak Up and trust that action will follow. Our focus in 2026 will be to deepen this further, using the intelligence gathered through lived experience engagement and supply chain deep dives to drive targeted action where it matters most.

In 2025, we progressed from setting frameworks to embedding them in practice, strengthening how modern slavery and labour exploitation risks are identified, prioritised and escalated across the business. This included improving frontline capability, governance and due diligence insight, and contributing to clearer, more consistent reporting – supporting earlier identification of concerns and a more effective, prevention focused response.

[1] https://www.statista.com/statistics/432509/number-employees-construction-industry-united-kingdom/
[2] Construction: NAICS 23 : U.S. Bureau of Labor Statistics https://www.bls.gov/iag/tgs/iag23.htm
[3] Unseen UK are a prominent UK charity working to end modern slavery and operate the Modern Slavery & Exploitation Helpline – www.unseenuk.org
[4] Page 13 – Unseen-Helpline-Annual-Assessment_2025.pdf

# Our business and supply chain

## About Balfour Beatty

Balfour Beatty is a leading international infrastructure group with 26,000 employees globally. We finance, develop, build, maintain and operate increasingly complex and critical national infrastructure that supports national economics and delivers projects at the heart of local communities.

We report our business's performance in three segments:

**Construction Services**

> Construction Services specialises in the design and construction of major infrastructure and building projects in the UK and US.

**Support Services**

> Support Services maintains, upgrades and manages vital services across the power transmission, distribution, utilities, road and rail sectors.

**Infrastructure Investments**

> Infrastructure Investments operates and maintains infrastructure projects and a portfolio of military and multifamily housing and student accommodation assets.

## Our workforce

Balfour Beatty's greatest assets are its people and their capabilities. Our 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.

## Our supply chain

Balfour Beatty spends two thirds of its revenue procuring goods and services from our external supply chain partners. Ensuring we are spending this money responsibly is something we take very seriously. Our supply chains are long and complex, and as a result we clearly communicate that we will only work with organisations that share our values and behaviours 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. We continually reinforce messages with supply chain partners about our expectations and standards.

## UK

During 2025, Balfour Beatty contracted with 5,793[5] supply chain partners in the UK. The supply chain represents a broad range of categories, typically segmented by subcontract (56%), services (19%), goods (17%) and plant (8%). Around half of our UK supply chain spend fell within eight spend categories considered to be at a potentially higher risk of either modern slavery or carbon intensity. See page 7.

We have the greatest leverage where we hold long term relationships or framework agreements, particularly with UK based subcontractors, labour agencies and direct suppliers providing higher risk goods and services.

In 2025, as we continued to decarbonise our operations and supply chain, we further embedded a holistic approach to sustainability that recognises the inter connection between climate action and human rights risk. Building on our focus on high risk materials linked to the low carbon transition, we strengthened our understanding of where modern slavery and carbon intensive risks coincide within our UK supply chain spend, enabling more targeted prioritisation and due diligence. This approach reinforces our commitment to ensuring that progress towards our climate goals is delivered in a way that respects workers' rights and supports a just and responsible transition.

| Spend Category | % of overall spend | Variance to 2024 | Modern Slavery / Ethical Sourcing risk | Energy and Carbon risk |
|---|---|---|---|---|
| Groundworks | 12.6% | ↑ | High | Medium |
| Labour | 9.6% | ↑ | High | Low |
| Concrete | 8.3% | ↑ | High | High |
| Electrical | 6.6% | ↑ | High | Medium |
| Survey and testing | 3.7% | ↑ | Medium | Medium |
| Steelwork | 3% | ↑ | High | Medium |
| Design services | 2.8% | ↓ | Low | Medium |
| Traffic management | 2.8% | ↑ | High | Medium |

The mix of goods and services we procure changes year to year as the business delivers different types of projects, expands or contracts particular capabilities and responds to market conditions. In 2025, steelwork and traffic management entered our top eight spend categories, replacing piling and aggregate and fill. We treat this as a prompt to reassess where risk may sit and to adapt our approach accordingly, updating risk prioritisation, tailoring supplier due diligence and engagement and ensuring that category specific risks (including labour exploitation risk in subcontracted, site based activities and upstream ethical sourcing risks in materials) are appropriately reflected in our controls and assurance activity.

## US

During 2025, we contracted with 9,136[6] supply chain partners across the United States, ranging from large multinational organisations to small, independent businesses. We are committed to upholding high standards of ethical behaviour across our US supply chain and maintain long term relationships with many of our suppliers. While the US is assessed by the Global Slavery Index as having a comparatively lower prevalence of modern slavery, risks can still arise in complex and subcontracted labour supply chains, and we therefore continue to apply proportionate due diligence and controls.[7]

Our US business operates within a robust legislative framework. This includes the Trade Facilitation and Trade Enforcement Act (TFTEA), which strengthened the long standing prohibition under Section 307 of the Tariff Act of 1930 on the import of goods produced wholly or in part using forced or child labour, enforced by US Customs and Border Protection. In addition, the Uyghur Forced Labor Prevention Act (UFLPA) establishes a rebuttable presumption that goods linked to the Xinjiang Uyghur Autonomous Region, or to entities on the UFLPA Entity List, are made with forced labour and are prohibited from import into the United States.[8]

Within our operations, targeted controls are applied to reflect the structure of our US business. In our renovations activities, business managers conduct regular employee interviews during the construction phase to confirm compliance with Davis Bacon prevailing wage requirements. These interviews typically cover at least 5% of the workforce on a project and include workers from each subcontractor, supporting assurance over pay, classification and working conditions.[9]

Given the varied nature of our US operations and supply chains, we adapt our approach to preventing modern slavery, trafficking and labour exploitation to ensure controls are appropriate, proportionate and responsive to risk.

[5] UK Procurement Spend Data - UK & US Data Analytical & Reporting Manager
[6] US Spend Data – Financial Systems Director
[7] walkfree.org
[8] congress.gov, cbp.gov, cbp.gov
[9] dol.gov

# 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 require compliance with law and regulation.

During 2025, there has been a continuation of efforts focused on ensuring clear alignment of key policies referencing human rights and modern slavery. Our human rights assurance is embedded through our Code of Ethics, Supplier Sustainability Conditions and Sustainable Procurement Policy, aligned to the UN Guiding Principles on Business and Human Rights, OECD Due Diligence Guidance and implemented through BS 25700.

These requirements form a mandatory baseline for all suppliers and subcontractors. 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. Our principles-led Code of Ethics remains the foundation of everything we do: providing 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 contact Balfour Beatty's Speak Up helpline rather than speak directly to the individuals concerned.

Our Code makes clear that we will support anyone in doing the right thing and that we do not tolerate retaliation against individuals who report a problem or assist an investigation.

## Speak Up helpline

Speaking up is at the heart of our ethics and compliance programme and we continue to explore all opportunities for empowering employees to voice their concerns or questions. Our Code of Ethics promotes and encourages use of a Group-wide independently managed Speak Up helpline, which our supply chain partners as well as members of the public are encouraged to use.

During 2025, we strengthened our Speak Up escalation process in the UK to ensure all forms of labour exploitation, spanning the full exploitation spectrum, were reported, communicated and escalated through the human rights team. This enabled exploitation cases to be identified and highlighted from the earliest stage, enabling us to provide appropriate support to those who reported concerns and to respond more effectively when issues arose.

In 2025, we received 726 Speak Up cases across the Group, an increase of 47% from 2024. The increase is, in part, a reflection of our continued efforts to encourage people to tell us when they see standards that do not align to our values and behaviours. Our Speak Up reporting rate remains within the benchmark range.

### **Case study:** Responding to labour exploitation concern through Speak Up

During 2025 in our Uk business, two concerns were reported relating to excessive working hours and the availability of appropriate personal protective equipment (PPE) for workers employed within our supply chain.

Although the allegations could not be fully substantiated, we provided support to the individuals who raised the concerns, including access to our Employee Assistance Programme and engaged with the suppliers to reinforce expectations regarding working hours, worker welfare and site controls.

We believe this increased confidence in Speak Up reflects sustained awareness raising efforts, including targeted ethics training, regular communications and increased visibility of the Ethics team through more frequent project visits, helping to build trust with operational teams.

## 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.

## Procurement strategy

Balfour Beatty launched its evolved three-year UK procurement strategy in early 2026. Throughout 2025 the modern slavery steering committee worked closely with the procurement team to embed human rights within it and ensure it is fully aligned with the supply chain integrity pillar within our Building New Futures sustainability strategy.

The procurement strategy sets out our procurement priorities and how we will do business with our supply chain partners. It is a practical document that makes clear what we expect of those who we work with and what we hold ourselves accountable to. The strategy sets out our commitment to work with our supply chain partners and that we expect the highest standards and vigilance from them and their onward supply chain, in relation to effective management of modern slavery risks on our projects.

## Building New Futures

Our Building New Futures sustainability strategy includes a supply chain integrity focus area to empower sustainable suppliers and champion ethical practices. Working in partnership to safeguard ethical labour practices and protect human rights is one of the committments within the supply chain Integrity focus area. This enhancement in approach recognises the importance that modern slavery and human rights play within the wider sustainability agenda. Also, that sustainability risks and opportunities are considered holistically across human rights, environment and socio-economic considerations and our path to net-zero is part of a just transition and not at the expense of people.

## Sustainable Procurement Policy

Our updated UK Sustainable Procurement Policy outlines how we embed sustainability into how and what we buy, sets out our priorities and supply chain expectations. It aligns with our sustainability strategy, Building New Futures and follows the principles of the ISO 20400 Sustainable Procurement guidance.

Under the Supply Chain Integrity: Procurement helps build a transparent, resilient and ethical supply chain:

- Maintain legal and ethical sourcing standards, including modern slavery,
- Leverage data for traceability and responsible sourcing,
- Collaborate to build supplier capabilities.

We are increasingly focused on understanding how our own procurement practices, including pricing, lead times and contract structures, may influence supplier working conditions and use this insight to inform responsible procurement decisions.

# 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.**

In 2025, we evolved how we talk about modern slavery and exploitation in the UK to make the issue more real, accessible and actionable for our operational workforce. We recognise exploitation is a human issue, not just a legal or compliance one, and that language can either enable understanding and action, or create barriers. To support consistent understanding across our business, we increasingly use the term worker exploitation, alongside terminology that is more familiar in different markets (such as forced labour, human trafficking and exploitation in the US).

To help colleagues recognise that exploitation can present in different ways, we use the Chartered Institute of Building's exploitation spectrum (shown below). The spectrum illustrates a 'scale of badness': while not every issue on it meets the legal definition of modern slavery, many are early warning signs that someone may be being treated unfairly, coerced or controlled. We use the spectrum in training and communications to build awareness of practical indicators, such as excessive working hours, restricted freedom of movement, intimidation, withheld documents or unfair deductions, and to reinforce what to do next: speak up and escalate concerns through our established routes, including Speak Up.

We trialed this approach through our 2024 poster campaign and continued embedding it in 2025, including strengthening how exploitation concerns are identified and escalated through Speak Up so that potential cases can be flagged early and responded to effectively. In 2026, we will roll out the refreshed worker exploitation terminology more widely and continue using the exploitation spectrum to strengthen frontline awareness, support earlier identification of indicators and encourage greater reporting, and creating a culture of, 'it might be nothing but,' where appropriate, we will also align this messaging with our commitment to wellbeing.

We recognise that, despite these controls, we do not yet have full visibility of all indirect labour arrangements within fragmented subcontracting and materials supply chains, and improving visibility beyond our direct suppliers remains a priority area for continued development.









## **Case study:** Delivering highway projects in Dallas, Texas

Working in partnership with the Texas Department of Transportation, Balfour Beatty has been reconstructing sections of highway in Dallas County. As climate change increases the frequency and intensity of extreme weather events, including prolonged periods of high heat, our US business has taken steps to strengthen how worker welfare risks are identified and managed on site.

Drawing on the exploitation spectrum, we recognise that issues such as excessive working hours, inadequate rest breaks and unsafe working conditions can act as early indicators of labour exploitation if not identified and addressed. In response, our US projects have implemented severe weather action plans to ensure proportionate controls are in place during periods of extreme heat, storms and hurricanes. These plans support practical measures such as adjusted working practices, access to shade and water, and clear escalation routes where concerns arise.

On projects in Dallas County, posters displayed on site reinforce these messages by reminding workers to take regular breaks, recognise the signs of heat exhaustion and raise concerns if conditions feel unsafe. The posters are displayed in both English and Spanish, reflecting the languages spoken across our workforce and supporting accessibility and worker voice. This approach helps ensure that climate related pressures do not increase vulnerability on site and that early warning signs are identified and acted upon before harm can occur.

## Governance

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, with our modern slavery steering group providing strategic focus and oversight. Biannual updates on modern slavery are provided to the Audit & Risk Committee of the Board, as part of the Ethics and Compliance report.

The role of the steering group is to review and agree focus and outcomes ensuring alignment with wider business objectives. The group is a cross-functional team bringing together the right expertise with clear responsibilities, accountability, focus and outcomes under four workstreams. In 2025, these workstreams were updated to be more outcome focused as opposed to task driven, and to incorporate the newest workstream, data-driven insights (see table on page 13).

## Risk management

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.

## BS 25700:2022 organisational responses to modern slavery – gap analysis action

During 2025 we delivered a programme of improvements following the assessment of our programme against BS 25700 guidance reported in our 2024 statement. These included:

- **Single point of truth**
  Establishing a Human Rights Hub on our company SharePoint site to bring together information in multiple places, reflecting the joined up collaborative approach Balfour Beatty has towards modern slavery and worker exploitation.
- **Need for Group-wide policy**
  Although we publish an annual modern slavery statement and have numerous policies that include elements related to modern slavery and ethical sourcing, we do not have a group policy that brings it all together. Work will continue in 2026 to bring this policy to fruition, incorporating both the UK and US businesses under a single policy.
- **Clear roles and responsibilities**
  In 2025, we identified and mapped key roles and began delivering targeted, role-specific training. This ensures clear accountability for preventing modern slavery, with responsibilities embedded in job descriptions and reflected in individual objectives.

In 2026 we will continue to prioritise, the next set of actions to increase our maturity against this standard, keeping a keen eye on the introduction of ISO 37200 which is expected to supersede BS 25700. During 2026 we will also re-audit our approach against the framework to measure the effectiveness of the actions we have taken since conducting the gap analysis.

## Supply chain transparency

Based on thorough evaluation, research and insights gained from our operational experience, we have determined that the most salient risk of modern slavery currently lies within the tiers of our supply chain. This risk is linked to the nature of the construction sector, which is characterised by a high number of temporary workers, as well as the use of contractors and subcontractors. To better understand the scale of risk and identify what measures we can take to 'find it, fix it, and prevent it,' we worked with Constructionline to develop and trial a supply chain transparency tool that enables greater visibility of the long, complex supply chains found in the sector. Being able to overlay this information with other risk tools available, including Walk Free's Global Slavery Index, will provide supply chain insights that have not been available to us before.

In taking a holistic approach to supply chain resilience, through 2025 we began developing a tool for materials-level risk assessment across our supply chain. This tool evaluates suppliers against a framework of indicators spanning labour rights, environmental practices governance, geopolitical risk and community impact. This will enable us to identify where risk is most concentrated and prioritise our due diligence activity accordingly. In 2026 we will pilot the use of this tool with a selection of strategic materials suppliers. This pilot will allow us to test and refine our methodology, build supplier engagement and generate the supply chain insights needed not only to inform our modern slavery response but our whole supply chain resilience response in the years ahead.

| Workstream | Purpose | Outcomes |
|---|---|---|
| **Communications & training** | Build modern slavery capability through role appropriate training and practical resources, supported by clear, consistent awareness raising communications. | > Improved workforce capability and confidence to recognise indicators of exploitation, hold welfare focused conversations and use escalation routes consistently.<br>> Increased awareness of, and access to, reporting pathways (including Speak Up) for employees and site based workers.<br>> Clearer, more consistent messaging that reinforces expectations, promotes learning (including lived experience insights) and supports transparent disclosure. |
| **Governance & strategy** | Strengthen governance and strategy, aligning UK and US approaches and progressing priority actions from the modern slavery gap analysis. | > Clearer ownership, accountability and oversight for modern slavery risk, supported by decision useful information and effective escalation.<br>> Improved alignment to BS 25700 (and incoming ISO 37200 guidance standard) with a prioritised continuous improvement plan.<br>> Stronger Balfour Beatty Group alignment across the UK and US, enabling a more consistent, structured approach and clearer baseline for comparison, and improved ability to evidence effectiveness over time. |
| **Procurement & supply chain** | Embed modern slavery and human rights into procurement and supplier management, strengthening leverage and due diligence across labour and materials supply chains. | > Improved supplier capability and sustained maturity uplift over time, supported by follow up and continuous improvement.<br>> Greater confidence that high risk spend is subject to proportionate, risk based due diligence and effective use of leverage.<br>> Stronger flow down of expectations and improved transparency across multi tier labour and materials supply chains, supporting earlier identification and remediation of issues. |
| **Data driven insights** | Use integrated insight to improve risk visibility, enabling earlier identification, prioritisation and targeted intervention across projects and supply chains. | > Earlier identification of potential concerns and emerging patterns through improved visibility of risk indicators across projects and supply chains.<br>> More targeted prioritisation of due diligence, engagement and mitigation based on evidence, with clearer triggers for intervention and escalation.<br>> Stronger measurement of the effectiveness and impact of our programmes over time (closing the loop between risk signals, actions taken and outcomes). |

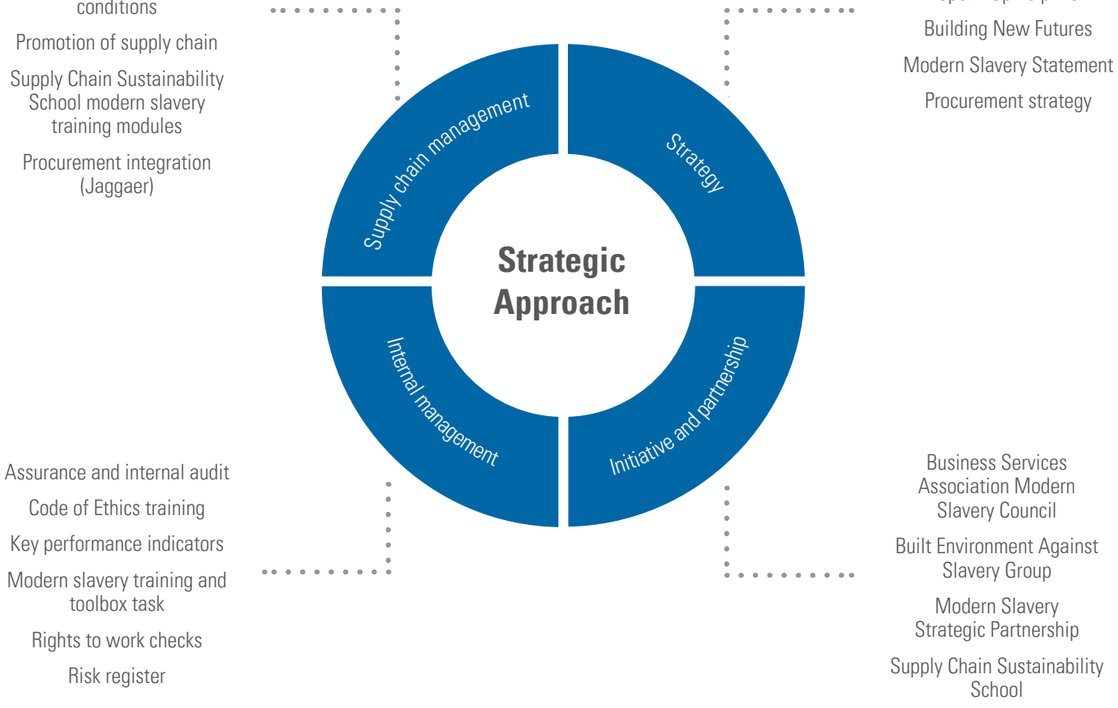
# Due diligence processes

**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 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.




## UK HR processes

As part of our onboarding process for new employees in the UK, we carry out a range of checks designed to reduce the risk of exploitation and ensure fair and lawful employment. This includes verifying bank account details to help confirm that wages are paid directly to the individual (including joint accounts where applicable) and conducting passport and right to work checks using a digital identity service provider (IDSP). These checks help ensure individuals have not been compelled to use false or forged identity documents.

Once employed, all new starters are required to sign an employment contract and complete training on our Code of Ethics, which sets out our expectations on ethical behaviour and includes provisions relating to modern slavery and labour exploitation as well as how to raise concerns through Speak Up and clearly sets out reassurance on non-retaliation.

Our recruitment and employment practices are kept under regular review and aligned with national standards and recognised good practice. We do this through ongoing engagement with employers' organisations, trade associations and trade unions, supported by a combination of regular structured meetings and continuous informal dialogue. This collaborative approach helps identify and resolve issues at an early stage and supports fair outcomes. We also align to 11 national agreements.

We expect similar standards to be upheld across our UK supply chain. Supply chain partners are required to undertake robust checks to verify the authenticity and validity of worker documentation and to ensure the individual presenting the documentation is the rightful holder. Workers should have a written contract of employment, be paid at least the legal minimum wage, and confirm that they have not paid any direct or indirect fees to obtain work. Deductions for accommodation, food or alleged debts are not permitted where they would reduce pay below legal requirements. Workers should also be informed of their statutory rights, including sick pay, holiday pay and other applicable benefits.

We also require labour agencies to demonstrate that these standards are met for the workers they supply. Where umbrella companies are used, services must be provided in line with the Freelancer & Contractor Services Association (FCSA) Code of Compliance.

## US

For our US businesses, we operate targeted HR verification and workforce controls designed to prevent illegal working, labour exploitation and modern slavery across direct operations and subcontracted labour.

All employees are subject to work authorisation verification in line with US immigration law, including compliance with the Immigration Reform and Control Act 1986 through Form I 9 requirements. Where applicable, additional state level verification measures (such as E Verify) are applied.

For subcontracted labour, work authorisation verification is required for subcontractor employees, supported by contractual commitments to comply with applicable federal, state and local labour laws. Subcontractors are expected to adopt the Balfour Beatty Code of Ethics or an equivalent standard, reinforcing expectations on lawful and ethical employment practices.

US businesses undertake due diligence on joint venture partners and major subcontractors, including background and litigation checks and completion of third party due diligence questionnaires. In Military Housing operations, subcontractors are required to complete Legal Disclosure Questionnaires addressing compliance with employment and labour laws, alongside formal Certifications and Representations confirming legal compliance.

HR verification is supplemented by wage and employment condition checks. On federally funded projects, Business Managers conduct regular employee interviews during construction to confirm compliance with Davis Bacon prevailing wage requirements, targeting at least 5% of the workforce and including representation from each subcontractor.

**Supply chain due diligence for modern slavery (UK)**




## Pre-qualification

We are partnered with Constructionline, a recognised assessment body, to manage the pre-qualification process of our supply chain against the Build UK Common Assessment Standard (CAS). As part of the standard onboarding process, supply chain partners are required to complete the CAS questions on Corporate & Professional Standing, which includes dedicated questions on whistleblowing, anti-slavery and human trafficking, and minimum standard working conditions. Suppliers with a turnover of over £36 million are also required to provide their modern slavery statement. This is verified by Constructionline as part of the CAS.

## Onboarding

We require all supply chain partners, irrespective of turnover, to provide a modern slavery statement or similar where they are pre-qualified through Constructionline. We continue to assure this through monthly sample audits of the modern slavery statements provided by supply chain partners with a turnover of less than £36 million.

## Sourcing

The foundation of our approach to sustainable procurement is our Supply Chain Sustainability Risk heat map which integrates material sustainability considerations into procurement systems and processes, influencing what we buy and how we buy.

The heat map identifies two key risk criteria which 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; and
- Modern slavery UK, defined as subcontract categories where there is a risk of labour exploitation occurring on our projects.

Where a supplier or subcontract package is identified as being at a higher risk of ethical sourcing or modern slavery on the heatmap, our Procurement team can select a tailored question set for their tenders. This ensures we take a risk-based approach and focus attention on the highest risk areas without overburdening all of our supply chain partners with additional tender questions.

## Terms of engagement

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. Several measures are taken to address modern slavery within our supply chain contracts, including incorporation of applicable contract terms that require our direct supply chain partners to incorporate modern slavery standards in their own supply chains. We also use contractual audit clauses to facilitate supply chain audits to provide reassurance that modern slavery is being effectively addressed and managed by our supply chain partners.

In addition, our Supplier Sustainability Conditions, available on our website, set out the minimum standards for our supply chain in relation to sustainability on our projects. This covers a broad range of areas including how to raise concerns and Speak Up; ethical sourcing; labour standards; regular labour audits for supply chains in countries of high-risk of modern slavery; and specific requirements for Xinjiang province in China as well as natural stone and solar PV.

## Contract management

Where severe or persistent non-compliance is identified and remediation is not possible within a reasonable timeframe, we may decide to exit a supplier relationship. Any such decision is taken carefully to minimise adverse impacts on workers, including through engagement with the supplier, consideration of transitional arrangements, and collaboration with relevant stakeholders to support worker protection where feasible.

[10] Supplier Sustainability Conditions

## Audit and assessment approach

Audits and assessments are an important part of our modern slavery and human rights due diligence. They can help us identify risk, verify that key controls are in place and provide structured opportunities to engage suppliers and labour providers on expectations and improvement actions. However, we also recognise their limitations: audits can provide only a point in time view, may over rely on documented processes, and can be less effective at identifying hidden or informal exploitation in complex, subcontracted labour supply chains.

For these reasons, our approach combines different types of assessments, selected to reflect where risk is most prevalent and what type of assurance or improvement we are seeking.

### Supply chain modern slavery assessments

Our supply chain modern slavery maturity assessment is now in its third year. It is designed primarily as a supplier development and continuous improvement programme, giving us a clearer view of where modern slavery risk sits across our direct suppliers and where support or intervention is most needed. Over the last three years, we have completed 405[11] assessments, prioritising high risk suppliers while taking a measured, risk based approach across medium and low categories.

In 2025, 37% of our overall spend was placed with suppliers assessed within this three year cycle. Across total spend with suppliers identified at higher risk of modern slavery, 46% of spend was with suppliers who had been assessed. This strengthens the evidence base that informs our due diligence and procurement decision making and helps us focus effort where it can make the most difference.[12]

A key feature of the maturity assessment programme is its ripple effect: we start by upskilling our direct suppliers, with the expectation that good practice, strengthened controls and clearer expectations are then embedded and flowed down through their onward supply chains. By focusing on capability building, practical improvement actions and follow up over time, we aim to contribute to sustained improvements across the wider construction supply chain, not just within a single supplier organisation.

Our collaborative approach and our ability to measure both the impact and effectiveness of the programme was highly commended by the Chartered Institute of Procurement and Supply (CIPS) at the CIPS Excellence in Procurement Awards.

During 2025, we continued to apply our risk-based approach to identify suppliers for assessment, focusing on supply chain partners providing goods and services with a high risk of modern slavery. In addition to expanding coverage, reassessing suppliers originally assessed in 2023 provided the first opportunity to measure the impact of our collaborative audit approach. Of those reassessed, 85%  demonstrated an increase in maturity, with an average improvement of approximately 20 percentage points. These results provide tangible evidence that the assessment programme is supporting supply chain partners to strengthen their management of modern slavery risks and improve practices over time.

### Labour agency audits

During 2025, the procurement team undertook a UK-wide tender for a managed resource recruitment process provider and implemented an independent workforce management platform, introduced to ensure contingent or temporary labour services provided to us align with compliance requirements. All contingent labour is required to be engaged through this arrangement, supporting our ability to map the labour supply chain, ensure workers are being paid correctly and appropriately, and providing visibility of right to work.

We continued to expand our due diligence of labour agencies, reflecting the elevated risk of exploitation within complex labour supply chains. Working with Nutral Solutions Ltd, we undertook a forensic review of our directly engaged labour agencies, completing a further 42 labour agency audits during 2025. As part of the workforce management platform, labour agencies will be audited annually by Nutral, focused on improving ethical practices in labour supply chains.

These audits included office visits, checks on contracts and pay slips, reviews of management systems and stronger visibility of sub-tier arrangements, including the use of umbrella companies. The review highlighted several improvement opportunities, including more consistent issuing of key information documents and stronger sub-tier due diligence. These findings have helped us refine expectations and target engagement with labour providers to strengthen controls and transparency.

[11] See 2025 Annual Report p52
[12] See 2025 Annual Report p52

[13] Audit Data Analysis – Social Sustainability Director

## **Case study:** Measuring the effectiveness and impact of our supply chain maturity assessment process

In 2025, we re-assessed some of the suppliers assessed in previous years to measure the effectiveness of the program and improvements in supply chain maturity over time. As part of this process, we reviewed progress against the actions agreed following their original assessment, checked whether improvements had been implemented and embedded, and tested the consistency of evidence used to demonstrate that controls were operating in practice (not just documented). This follow-up approach helped us understand where suppliers had strengthened governance and due diligence, and where additional support or clarification was still needed.

Support to suppliers was a core part of the programme. All assessed suppliers were invited to attend a workshop developed by Balfour Beatty and delivered by the Supply Chain Sustainability School, designed to help translate assessment findings into practical next steps. We also provided targeted one-to-one support and guidance sessions for suppliers who needed additional help to understand expectations and implement improvements. Common topics included strengthening reporting and escalation routes; improving workforce awareness (including induction); enhancing supply chain due diligence (for example through the use of questionnaires for subcontractors and labour providers); establishing checks linked to pay and working conditions (including minimum wage expectations); and improving the quality and consistency of records and evidence.

### Outcomes

During the three-year programme, we have re-assessed 45 suppliers; on average their maturity had improved by 20%.[15] Re-assessments also demonstrated stronger organisational accountability, increased confidence among staff to recognise and report concerns, and more transparent, ethically assured supply chain relationships.

### Supplier testimonials

"The audit process encouraged us to take a more structured and proactive approach to strengthening our practices and raising awareness across the organisation." Traffix Ltd.

"Having clear guidance and direct support made it far easier to understand where the main vulnerabilities were and what practical action we needed to take. The improvements have given us the confidence that our policies, processes and supply-chain checks meet both legislative and client expectations, and that we are doing the right things to protect workers." J. McCann.



M60 Barton Bridge, Greater Manchester

[15] 2025 Annual Report, p52



### Ethical labour audits

Alongside supplier and labour provider assurance, we use ethical labour audits to understand worker experience in practice. These audits include worker interviews on projects and provide a valuable "360° check" on whether the controls and commitments described by our supply chain partners through the supply chain maturity assessments, and by labour agencies through the blue-collar labour agency audits, are actually reflected on site.

Taken together, the three approaches provide a more robust, triangulated picture: maturity assessments indicate where capability and governance need strengthening; labour agency audits increase transparency in complex labour supply chains; and ethical labour audits test the day-to-day reality for workers. This combination helps us identify potential indicators of exploitation earlier, target follow-up where needed, and strengthen the effectiveness of our prevention and response.

We conducted five ethical labour audits in 2025, using the findings to inform targeted improvement actions and learning across the business.

## Supplier development

To ensure identified issues were effectively addressed and improvements achieved, we continued to provide targeted support to suppliers. We hosted supply chain workshops; developed in-house and delivered by the Supply Chain Sustainability School[14], and invited assessed supply chain partners to participate. These workshops were designed to help suppliers tackle the key issues raised during the assessment programme and strengthen their approach to managing modern slavery risks within their own operations and broader supply chains. Thanks to the collaborative nature of the assessment process, these partners engaged positively and significant improvements were observed among those receiving targeted support. In addition to this the human rights team gave one-to-one support to four suppliers during 2025.

In 2026, we will continue to build on this mature, data-led approach through a three-pronged audit strategy. We will target assessments covering approximately 10% of high-risk supply chain spend, re-audit a selection of suppliers previously assessed in 2024 to measure improvement over time, and include suppliers identified through Speak Up cases, where appropriate, to ensure potential risks are addressed through structured assessment and engagement. This approach will enable us to continue strengthening supply chain capability, measure progress year-on-year, and focus our efforts on the areas of highest risk and greatest opportunity for improvement.

### Remediation

In recognition of the importance of effective remediation for modern slavery and labour exploitation in the construction sector, our focus in 2025 was on ensuring that identified issues are responded to promptly, proportionately and in a way that supports workers and prevents recurrence. Remediation remains embedded within our broader approach to due diligence, escalation and supplier engagement.

During 2025, we continued to track and respond to findings arising from supply chain assessments, ethical labour assessments and concerns raised through Speak Up. Where issues were identified, we worked with suppliers to agree and implement corrective actions, supported by targeted follow up and, where appropriate, additional guidance and capability building. This included reinforcing expectations on working hours, pay, welfare standards, worker voice and access to grievance mechanisms. Supplier development workshops and supported action plans remained a key part of this approach, helping to translate findings into practical improvements and strengthen controls over time.

We also recognise that effective remediation extends beyond addressing audit findings. During 2025, concerns raised through Speak Up enabled early intervention in a small number of cases, allowing issues to be addressed before harm escalated. In these instances, we focused on supporting individuals who raised concerns, engaging with supply chain partners to reinforce expectations, and using learnings to strengthen awareness, escalation and preventative controls.

While in previous years we explored fast tracking survivors of modern slavery into employment through an external partner, we recognise the practical limitations of this approach within the time critical and project based nature of our business. In 2025, we therefore shifted our focus towards strengthening upstream prevention and response, including earlier identification of risk, improved escalation and more consistent supplier remediation. Looking ahead, we will continue to explore proportionate and appropriate ways to support individuals who may have been harmed, while prioritising approaches that are deliverable, worker centred and aligned with the realities of our sector.

[14] www.supplychainschool.co.uk The SCSS is an award-winning learning platform around sustainability, with the aim to upskill those working within the built environment. They run several sustainability themed working groups and offer training.

Hinkley Point C, Somerset

# Key performance indicators and measuring effectiveness

**Our key performance indicators (KPIs) align with the CCLA's leading 'Find It, Fix It, Prevent It' framework. This framework provides a clear way to track whether our approach is (i) identifying risk, (ii) driving effective follow-up and improvement, and (iii) strengthening the preventative controls designed to stop exploitation occurring.**

In 2025, informed by feedback from investors and other stakeholders, we strengthened how we present our KPIs to improve transparency and interpretation. For each indicator, we set out the KPI, the target, performance in the year, and the context needed to understand what the KPI covers. This includes the relevant risk population and the basis on which measures are calculated, reflecting our risk-based approach and helping stakeholders assess progress in a meaningful way.

We also recognise the limitations of KPIs in relation to modern slavery and labour exploitation, where risks can be hidden and outcomes are not always captured through simple activity measures alone. We therefore continue to evolve our KPIs to better reflect quality, effectiveness and impact over time, using supporting evidence (such as reassessment results and learnings from audits, worker interviews and Speak Up) alongside quantitative measures.

Findings from audits, Speak Up reporting and supplier reassessments are systematically reviewed and used to refine risk prioritisation, training content and supplier engagement, ensuring our approach continues to evolve based on evidence and learning.

## Find it

**KPI:** Assess high risk UK suppliers through our Supply Chain Modern Slavery Maturity Assessment programme (rolling three-year cycle).

**2025 target:** Assess 10% of high-risk UK suppliers on a rolling three-year cycle (risk category defined by our Supply Chain Sustainability Risk heat map).

**2025 performance:** In 2025, we completed 94 Supply Chain Modern Slavery Maturity Assessments (2024: 190; 2023: 121), bringing the total delivered over the three-year cycle (2023-25) to 405 assessments. This reflects our continued focus on targeted, risk based assessment and supplier development.

Across the 2023-25 rolling period, we assessed 360 individual suppliers in total. This includes 45 supplier reassessments to measure improvement over time and the effectiveness and impact of the programme. To ensure our rolling KPI is reported against an active spend-based supply chain population, suppliers assessed in the period but with no spend in 2025 (22 suppliers) are excluded from the rolling percentage calculations shown in the context table.

For suppliers where goods and/or services were bought in 2025, 178 high risk suppliers were assessed across 2023-25. Based on a 2025 high risk supplier population of 1,556, this equates to 11.4% assessed over the rolling three year period, exceeding our 10% rolling target. For context, rolling assessment levels for medium and low risk suppliers were 6.2% and 2.8% respectively.

Of the 2.8% of suppliers assessed within the low modern slavery risk category, over 72% were categorised as high or medium risk for ethical sourcing. This sends a clear message to our supply chain that, while we prioritise our assessment activity where modern slavery risk is highest, we still test and seek assurance across all levels of risk, recognising that a supplier may be lower risk in one area but present elevated risk indicators in another.

| | 2023 | 2024 | 2025 | Total |
|---|---|---|---|---|
| **No. of assessments completed** | 121 | 187 | 94 | 405[16] |

Number of individual suppliers assessed between **2023-25: 360**

Number of suppliers reassessed between **2023-25: 45**

Number of suppliers assessed between **2023-25** with no spend in **2025: 22**

| | High risk |
|---|---|
| **No. 2025 suppliers** | 1,556 |
| **No. Suppliers Assessed 2023-25*** | 178 |
| **% assessed* (3yr rolling target)** | 10% |
| **% assessed* (3yr rolling actuals)** | 11.4% |

[16] See 2025 Modern Slavery Statement and 2025 Annual Report
[17] Audit Data Analysis – Social Sustainability Director
*for suppliers where goods and/or services were bought in 2025

## Fix it

**KPI:** Meaningful response to supply chain assessments.

**2025 target:** Deliver two supplier development workshops to support audited suppliers to address findings and strengthen capability.

**2025 performance:** We delivered two supplier development workshops in 2025, meeting our target. These workshops were delivered as a two-part webinar series by the Supply Chain Sustainability School and were offered to suppliers assessed through our Supply Chain Modern Slavery Maturity Assessment programme. They were designed to help suppliers translate assessment findings into practical, time-bound improvement actions and strengthen how controls operate in practice. Where assessment findings indicated a need for enhanced support, we used the programme to help suppliers move from "actions identified" to "actions implemented", including providing additional guidance and, where appropriate, progressing suppliers towards a supported action plan.

**Context:** We recognise that assessments only create impact if they lead to improvement. Supplier development is therefore a core part of our "fix it" approach and sits alongside other follow up mechanisms, including agreed improvement actions within assessment reports, signposting to independent resources, targeted one to one support from our human rights team, and escalation to enhanced support (such as supported action plans) where the nature, severity or persistence of findings indicates this is required. Evidence of improvement is also captured through reassessment: in 2025, re-auditing suppliers originally assessed in 2023 showed 85%[17] increased their maturity, with an average improvement of around 20 percentage points, providing additional assurance that follow-up activity is translating into stronger controls over time.

## Prevent it

**KPI:** UK supply chain partners have a modern slavery statement (or equivalent), regardless of turnover, where pre qualified via Constructionline.

**2025 target:** 98% of UK supply chain partners pre qualified via Constructionline have a modern slavery statement (or equivalent) in place.

**2025 performance:** We met our target in 2025, with [98%] of UK supply chain partners pre-qualified via Constructionline having a modern slavery statement (or equivalent) in place. This provides a consistent baseline expectation across our UK supply chain and supports transparency on how suppliers identify and address modern slavery risk.

**Context:** Since 2024, we have required all UK supply chain partners pre qualified via Constructionline – regardless of turnover – to provide a modern slavery statement or equivalent. Constructionline verifies statements for suppliers with turnover over £36 million as part of the Build UK Common Assessment Standard (CAS). For suppliers below £36 million turnover, we assure this requirement through a monthly sample audit of statements provided, helping us maintain confidence that this preventative control remains effective over time.

## 2026 targets

| Theme | KPI | Target |
|---|---|---|
| **Find it** | Assess high risk UK suppliers through our Supply Chain Modern Slavery Maturity Assessment programme (rolling three-year cycle). | Assess 10% of high-risk UK suppliers on a rolling three-year cycle (risk category defined by our Supply Chain Sustainability Risk heat map). |
| **Fix it** | Meaningful response to supply chain assessments. | Deliver two supplier development workshops to support audited suppliers to address findings and strengthen capability |
| **Prevent it** | UK supply chain partners have a modern slavery statement (or equivalent), regardless of turnover, where pre-qualified via Constructionline. | 98% of UK supply chain partners pre-qualified via Constructionline have a modern slavery statement (or equivalent) in place. |

# Training and capacity building

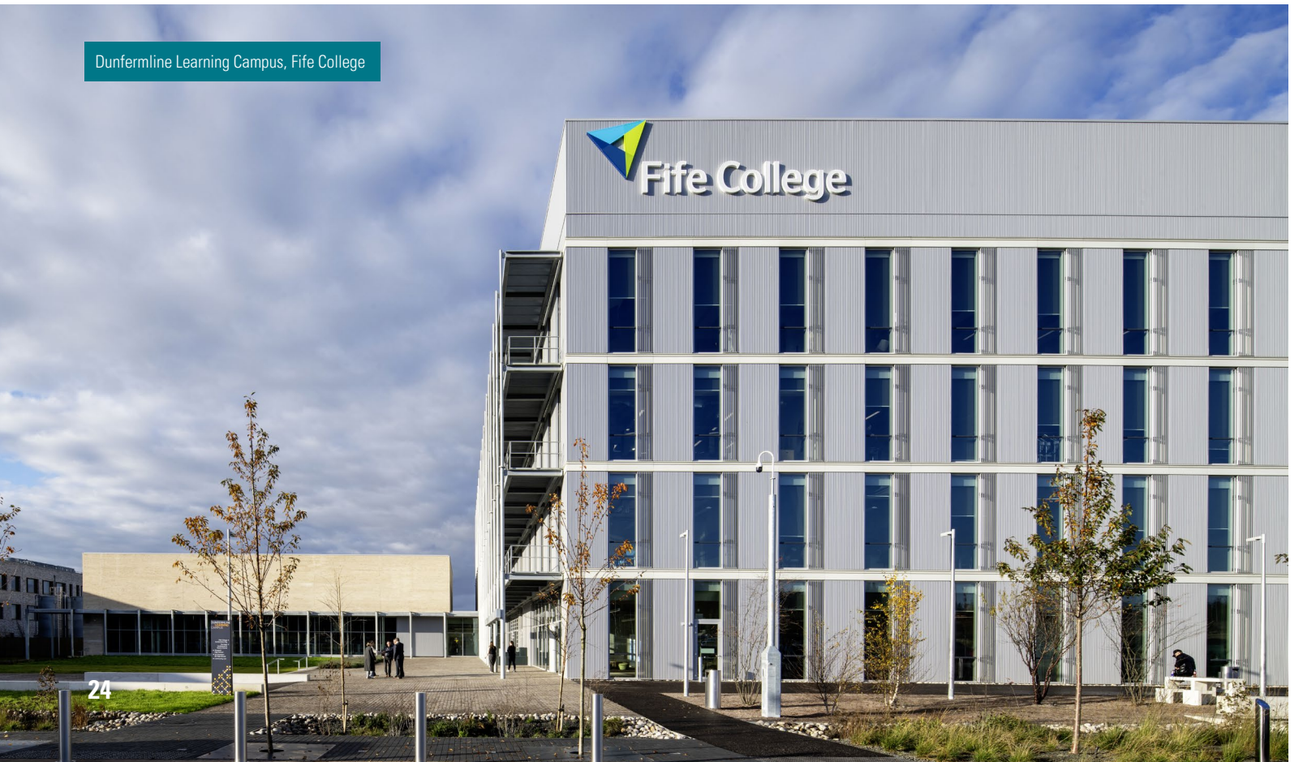
## Training

Our colleagues and our supply chain partners continue to play a vital role in helping us identify and prevent modern slavery and labour exploitation in our operations. In 2025, we strengthened capability across the business by expanding our training offer and developing new resources to support colleagues in recognising and responding to risks of exploitation. This included delivering tailored awareness sessions to operational and corporate teams, as well as a focused briefing for UK Infrastructure Investments teams to build capability within commercial functions. We also developed a suite of four modern slavery toolbox talks -covering an introduction to modern slavery and labour exploitation, construction specific risks, hidden exploitation in everyday life and the role all workers play in prevention – and made these available on our Modern Slavery and Human Rights Hub to support consistent on site engagement across our projects and supply chain.

In February 2025, we delivered a focused ethics officer workshop for representatives across the business. The session strengthened governance and escalation effectiveness by clarifying responsibilities for identifying, raising and responding to modern slavery and labour abuse concerns, and reinforcing the role of ethics officers in supporting early intervention and appropriate referral through our Speak Up helpline.

At an operational level, in July 2025 we delivered an in-person modern slavery awareness session at the UK site supervisor forum, attended by safety supervisors from across our UK operations. This activity strengthened risk identification and frontline capability, focusing on recognising indicators of labour exploitation on construction sites, improving welfare focused conversations with workers, and reinforcing clear escalation routes for concerns raised by site based personnel.

A key component of our 2025 programme was the delivery of a lived experience led modern slavery workshop in partnership with Align Ltd as detailed in the case study on page 25.




Dunfermline Learning Campus, Fife College

### Case study: Embedding lived experience into due diligence and training

In November 2025, we partnered with **Align Ltd** to deliver a lived experience led modern slavery workshop for colleagues and key supply chain partners at a live project in Sussex. The workshop brought survivor testimony from the construction sector directly into our organisation, strengthening our ability to recognise early indicators of exploitation and reinforcing the importance of proactive reporting and effective human rights due diligence across our projects.

The session brought together colleagues from a wide range of functions, including procurement, sustainability, human resources, site operations and leadership. This cross functional participation reflected our recognition that identifying and preventing modern slavery risks requires shared ownership across disciplines and decision making levels.

Align facilitated the workshop using lived experience consultants – individuals with direct experience of labour exploitation – to support a deeper understanding of how exploitation can arise in practice, how business decisions may unintentionally increase risk and where systems, behaviours and controls can be strengthened. The session was designed to build on existing awareness and policy frameworks, encouraging participants to critically examine how policies, procurement practices, site behaviours and escalation routes are experienced by vulnerable workers in real world contexts.

Through practical scenarios and reflective discussion, participants explored barriers to reporting, behavioural indicators of exploitation, and the importance of trust, dignity and worker voice in effective modern slavery prevention.

**Outcomes and impact**

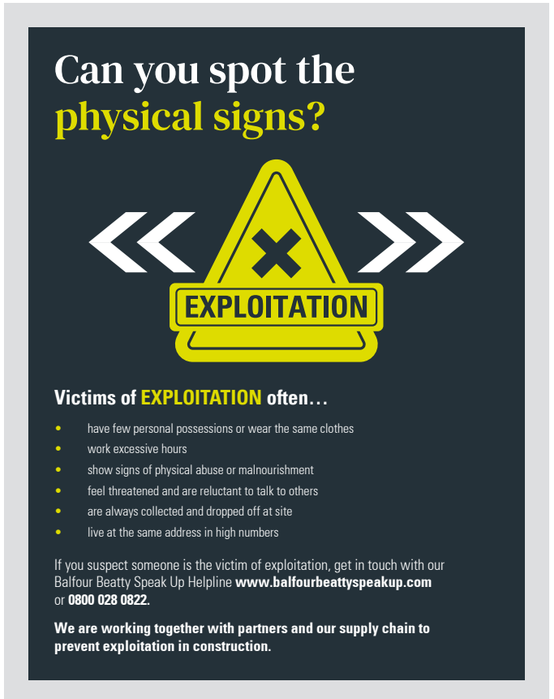
Insights from the workshop informed ongoing work to strengthen our human rights due diligence approach, including:

- increased awareness of how exploitation risks may present within UK and global supply chains
- improved understanding of the limitations of traditional, document based assurance
- greater confidence among colleagues to identify concerns and challenge practices that may increase risk
- reinforcement of the importance of survivor informed approaches in shaping policies, training and remediation pathways.

This activity forms part of our broader commitment to continuous improvement, capacity building and embedding lived experience perspectives into our approach to tackling modern slavery and labour exploitation.

We also expanded the guidance available on our Modern Slavery and Human Rights Hub, providing colleagues with accessible resources, training materials and reporting information. This included consolidating internal tools, guidance and materials into a single point of truth to support consistent understanding of modern slavery indicators, escalation routes and expectations across the business.

As in previous years, our approach remained risk based, focusing enhanced training for job roles most likely to encounter modern slavery indicators. This included continuing to build on our existing suite of awareness and assessment training, Code of Ethics communications and guidance for supply chain partners, ensuring teams have the practical tools they need to identify concerns and take appropriate action.







### Communication

We continue to evolve how we communicate expectations, raise awareness of modern slavery risks and ensure that those working for us and with us know how to report concerns. Information on policies, guidance and training remains accessible via our internal intranet for employees with Balfour Beatty email access. For those on our construction sites – including subcontracted and agency workers – our focus remains on practical, visible and accessible communication tailored to the working environment.

In 2025, we enhanced the Modern Slavery and Human Rights Hub, an internal SharePoint based platform that brings together all modern slavery – related resources for colleagues in one central, easy to access location. The Hub functions as a single point of truth for Balfour Beatty UK employees, consolidating guidance, training materials, four newly developed Toolbox Talks, reporting routes (including Speak Up) and practical resources to support the identification, escalation and management of concerns. Access to the Hub is available to all Balfour Beatty employees in the UK, supporting consistent understanding, awareness and application of our modern slavery and human rights expectations across the business.

In 2026, we will continue to strengthen communication channels by sharing relevant case studies, learnings and data driven insights across key internal networks including health and safety, wellbeing and mental health first aider groups, ethics officers and site leadership teams. We will also continue to reinforce reporting routes through updated posters, digital content and on site communications. These channels will continue to signpost workers to Speak Up and other available support in a way that is clear, discreet and accessible.

Our ongoing focus remains on ensuring that all workers-regardless of role, location or employer-understand their rights, can identify early warning signs of exploitation and know how to raise concerns safely.

### Collaborative action

In 2025, we continued to engage with industry bodies, investors and expert stakeholders to strengthen shared understanding of modern slavery risk and contribute to more effective, coordinated responses across construction supply chains. Our collaborative action focused on external engagement, intelligence sharing and contributing to the development of improved sector wide approaches, complementing the work undertaken within our own operations.

Beyond Balfour Beatty, we supported wider dialogue on responsible business practices through participation as a panellist at the Just Transition in the Construction Sector All Party Parliamentary Group (APPG) pre-launch event.

This engagement explored how the transition to a lower carbon built environment can be delivered in a way that supports fair work, worker protection and respect for human rights, and informed our understanding of emerging risks at the intersection of climate action and labour rights.

We also contributed to the development of updated Section 54 guidance, supporting clearer and more consistent modern slavery reporting across the market. This work reflects our commitment to transparent disclosure and to playing an active role in raising standards beyond our own business.

In July 2025, we participated in a Business Services Association (BSA) roundtable with the Independent Anti Slavery Commissioner, Eleanor Lyons. Discussions focused on strengthening cross sector intelligence sharing, raising due diligence expectations within UK supply chains and improving approaches to remediation for individuals at risk of exploitation. Insights from this forum informed our ongoing review of escalation, response and prevention practices.

In October 2025, we took part in the CCLA "Tackling Modern Slavery in Construction" roundtable alongside investors, contractors and sector specialists. This engagement provided an opportunity to review current risk trends, benchmark industry progress and explore opportunities for coordinated, evidence driven action across the construction sector.

Throughout the year, we also engaged in a range of sector focused initiatives, including continued involvement with Built Environment Against Slavery (BEAS), participation in Design for Freedom discussions, and wider industry leadership forums. These activities supported shared learning on high risk materials, responsible recruitment and evolving approaches to labour rights assurance.

In late 2025, we contributed to an Institute for Human Rights and Business (IHRB) roundtable, a multi stakeholder forum focused on emerging human rights risks in the built environment, responsible recruitment models and innovative approaches to labour rights due diligence. Engagement through IHRB supported alignment with evolving international expectations and informed our thinking on future programme development.

### Align Ltd

We will continue our partnership with Align Ltd, building on the lived experience led workshop delivered in 2025. Survivor expertise will continue to inform our training design, supplier engagement and modern slavery mitigation planning, ensuring our approach remains grounded in real world insight.

### Academia

We will continue collaborating with the academic institutions such as the Nottingham Rights Lab to strengthen our understanding of human rights risks, worker vulnerability and complex, multi tier supply chains. Their research will inform our strategy development and operational practices.

### Institute for Human Rights and Business (IHRB)

We will build on our engagement with IHRB to enhance our human rights due diligence, with a particular focus on construction specific risks and the evolving regulatory landscape.

### Supply Chain Sustainability School (SCSS) & Built Environment Against Slavery (BEAS)

We will continue to co-chair and engage with the SCSS BEAS working groups, supporting efforts to raise industry standards, share best practice and develop practical tools for contractors and suppliers.

### Action Sustainability

Through SCSS and BEAS, we will continue working with Action Sustainability, whose expertise supports supplier development, materials due diligence and improved labour standards across the sector.

### Business Services Association (BSA)

We will co-chair the BSA's Modern Slavery Council in 2026, collaborating with service and infrastructure organisations to develop industry wide approaches to mitigating exploitation risks.

### Commonwealth Parliamentary Association UK (CPA UK)

Building on our contribution to the CPA Handbook on modern slavery, we will continue to support cross sector policy engagement to strengthen protections across the built environment.

These partnerships collectively strengthen our human rights due diligence, enhance our visibility of risk, improve our capacity to support workers and ensure that – together with industry peers – we continue driving meaningful and sustained improvements across the built environment.



River Pointe, Conroe, Texas, US

# Looking ahead – 2026 actions to mitigate modern slavery

### Governance and strategy

In 2026, we will further develop our alignment between the UK and US businesses to establish a baseline for comparison, and identify opportunities for future alignment. This will support the development of a more consistent and structured approach to modern slavery across our wider organisation, including identification and escalation of modern slavery and labour exploitation concerns raised in the US.

In the UK, we will continue strengthening our governance framework for modern slavery by progressing priority actions from our BS 25700 maturity review. This includes refining controls, documentation and oversight processes across functions, clarifying roles and responsibilities relating to modern slavery governance and improving how risk information is captured and shared. We will also reassess our maturity against the standard and formalise channels for collating and reviewing relevant data, ensuring that governance and risk management activity is consistently supported by accurate, timely information.

### Data driven insights

We will build on the data driven insights workstream developed in 2025 by integrating information from multiple sources, including Speak Up reporting, ethical labour audits, supply chain assessments, labour agency audits and operational indicators. In 2026, we will begin developing consolidated dashboards using available health and safety, workforce management and procurement data to provide clearer visibility of risk patterns and indicators across projects. This work will support earlier identification of potential concerns and enable more targeted intervention and escalation where needed.

### Communications and training

We will continue embedding modern slavery and labour exploitation awareness across our workforce by delivering updated communications, strengthening the visibility of human rights messaging and expanding access to training. This includes developing a training matrix that maps job roles to required training levels, and working with relevant functions to promote uptake and completion of learning.

Role specific training and awareness raising for frontline functions will continue, supported by internal communications, lived experience insights and case studies to reinforce understanding of risk indicators and reporting pathways.

To strengthen human rights capability across our UK projects, we will roll out targeted engagement activities incorporating lived experience insights, and develop approaches for project specific modern slavery mitigation planning. This includes supporting the identification and training of human rights responsible roles such as Mental Health First Aiders, wellbeing leads and social impact teams, and beginning to integrate workforce management system data and observational insights to build fuller visibility of workforce related risks. These activities will support earlier identification of concerns and help establish more consistent human rights practices across project lifecycles.

### Procurement and supply chain

In 2026, we will continue strengthening our approach to supply chain resilience by incorporating scenario planning for climate adaptation and geopolitical risk into our procurement and supply chain activities. Building on our risk based approach, this will include assessing how factors such as extreme weather, resource constraints, regulatory change and geopolitical disruption may impact critical materials, labour supply and supplier continuity.

The insights generated will inform risk prioritisation, due diligence focus and supplier engagement, supporting earlier identification of emerging risks and more proactive mitigation planning. By integrating climate related and geopolitical considerations alongside human rights and ethical sourcing risks, we aim to strengthen supply chain resilience while ensuring that sourcing decisions support workers' rights and a just and responsible transition.

In support of this approach, we will launch materials specific assessments to improve the visibility and consistency of due diligence within high risk supply chains. We will also develop modern slavery and human rights content within the EDGE Academy, our supply chain development programme. Alongside this, we will continue to advance our understanding of human rights risks in high risk materials through the introduction of simplified risk scoring tools, targeted internal upskilling, and early engagement with suppliers in preparation for materials specific human rights assessments.

# Appendix 1: Balfour Beatty subsidiaries UK

## 44 Details of related undertakings of Balfour Beatty plc as at 31 December 2025

In accordance with Section 409 of the Companies Act 2006 a full list of subsidiaries, partnerships, associates and joint ventures, including the principal activity, the country of incorporation and the effective percentage of equity owned as at 31 December 2025 is disclosed below. Unless otherwise stated, all interests are in the ordinary share capital or shares of common stock in the entity and are held indirectly by the Company, and all entities operate principally in their country of incorporation. All subsidiaries had a reporting period ended 31 December 2025 and are wholly owned and consolidated into the Group's results, except where indicated.

### Subsidiary undertakings incorporated in the United Kingdom

| Entity | Principal activity |
|---|---|
| **Q14 Quorum Business Park, Benton Lane, Newcastle upon Tyne NE12 8BU** | |
| Aberystwyth Student Accommodation Ltd | Infrastructure Concession |
| Balfour Beatty Infrastructure Investments Ltd[i] | Investment Holding Company |
| Balfour Beatty Infrastructure Partners Member Ltd | Dormant |
| Balfour Beatty Infrastructure Projects Investments Ltd | Investment Holding Company |
| Balfour Beatty Investments Ltd | Agent of Balfour Beatty Group Ltd |
| Balfour Beatty OFTO Holdings Ltd | Investment Holding Company |
| Balfour Beatty Rail Corporate Services Ltd | Agent of Balfour Beatty Group Ltd |
| Balfour Beatty WorkSmart Ltd | Agent of Balfour Beatty Group Ltd |
| BBI Holdings Australia Ltd | Dormant |
| BBPF LLP[iii] | Investment Partnership |
| Connect Roads Derby Holdings Ltd | Investment Holding Company |
| Connect Roads Derby Ltd | Infrastructure Concession |
| Connect Roads Infrastructure Investments Ltd | Investment Holding Company |
| Consort Healthcare Infrastructure Investments Ltd | Investment Holding Company |
| East Slope Residencies Facilities Management Ltd | Infrastructure Concession |
| East Slope Residencies Holdings Ltd | Investment Holding Company |
| East Slope Residencies Partner Ltd | Investment Holding Company |
| East Slope Residencies plc[ii] | Infrastructure Concession |
| East Slope Residencies Student Accommodation LLP[ii] [iii] | Infrastructure Concession |
| Education Investments Holdings Ltd | Investment Holding Company |
| Initial GP1 Ltd | Investment Holding Company |
| Manchester Residences (New Cross) Ltd | Infrastructure Concession |
| South Cambridgeshire Investments Holdings Ltd | Investment Holding Company |
| Urban Fox Networks (UK) Ltd[vi] | Infrastructure Concession |
| West Slope Residencies Facilities Management Ltd | Infrastructure Concession |
| West Slope Residencies Finance Ltd | Infrastructure Concession |
| West Slope Residencies Holdings Ltd[v] | Investment Holding Company |
| West Slope Residencies LLP[iii] [v] | Infrastructure Concession |
| West Slope Residencies Partner Ltd | Investment Holding Company |
| West Stratford Developments Ltd[iv] | Investment Holding Company |

| Entity | Principal activity |
|---|---|
| **5 Churchill Place, Canary Wharf, London E14 5HU** | |
| Avatar Ltd | Dormant |
| Balfour Beatty Build Ltd | Agent of Balfour Beatty Group Ltd |
| Balfour Beatty Building Ltd | Agent of Balfour Beatty Group Ltd |
| Balfour Beatty CE Ltd | Agent of Balfour Beatty Group Ltd |
| Balfour Beatty Civil Engineering (SW) Ltd | Agent of Balfour Beatty Group Ltd |
| Balfour Beatty Civil Engineering Ltd | Agent of Balfour Beatty Group Ltd |
| Balfour Beatty Civils Ltd | Agent of Balfour Beatty Group Ltd |
| Balfour Beatty Const Ltd | Agent of Balfour Beatty Group Ltd |
| Balfour Beatty Construction (SW) Ltd | Agent of Balfour Beatty Group Ltd |
| Balfour Beatty Construction International Ltd | Agent of Balfour Beatty Group Ltd |
| Balfour Beatty Construction Northern Ltd | Agent of Balfour Beatty Group Ltd |
| Balfour Beatty Engineering Services (HY) Ltd | Agent of Balfour Beatty Group Ltd |
| Balfour Beatty Engineering Ltd | Dormant |
| Balfour Beatty Group Employment Ltd | Employer For UK Workforce |
| Balfour Beatty Group Ltd | Construction & Support Services |
| Balfour Beatty Homes Ltd | Agent of Manring Homes Ltd |
| Balfour Beatty International Ltd | Agent of Balfour Beatty Group Ltd |
| Balfour Beatty Investment Holdings Ltd[i] | Investment Holding Company |
| Balfour Beatty Management Ltd | Agent of Balfour Beatty Group Ltd |
| Balfour Beatty Nominees Ltd | Nominee Company |
| Balfour Beatty Overseas Investments Ltd | Investment Holding Company |
| Balfour Beatty Overseas Ltd | Investment Holding Company |
| Balfour Beatty Property Ltd[i] | Agent of Balfour Beatty plc |
| Balfour Beatty Rail Infrastructure Services Ltd | Agent of Balfour Beatty Group Ltd |
| Balfour Beatty Rail Ltd | Agent of Balfour Beatty Group Ltd |
| Balfour Beatty Rail Projects Ltd | Agent of Balfour Beatty Group Ltd |
| Balfour Beatty Rail Technologies Ltd | Agent of Balfour Beatty Group Ltd |
| Balfour Beatty Rail Track Systems Ltd | Agent of Balfour Beatty Group Ltd |
| Balfour Beatty Refurbishment Ltd | Agent of Balfour Beatty Group Ltd |
| Balfour Beatty Regional Construction Ltd | Agent of Balfour Beatty Group Ltd |
| Balfour Beatty Utility Solutions Ltd | Agent of Balfour Beatty Group Ltd |
| Balfour Kilpatrick Ltd | Dormant |
| BB Indonesia Ltd | Support Services |

| Entity | Principal activity |
|---|---|
| **5 Churchill Place, Canary Wharf, London E14 5HU** continued | |
| Balvac Ltd | Agent of Balfour Beatty Group Ltd |
| Bical Construction Ltd | Agent of Balfour Beatty Group Ltd |
| 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 |
| Raynesway Construction Ltd | Agent of Balfour Beatty Group Ltd |
| Strata Construction Ltd | Dormant |
| **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 Mcgrigors Belfast 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 |
| 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 |

| Entity | Principal activity |
|---|---|
| **Midmill Business Park, Tumulus Way, Kintore, Aberdeenshire AB51 0TG** | |
| Balfour Beatty Engineering Services (CL) Ltd | Agent of Balfour Beatty Group Ltd |
| **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 – In liquidation |
| Mansell Maintenance Ltd | Dormant |
| **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 – In liquidation |
| **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.

Balfour Beatty
Registered Head Office:

5 Churchill Place
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London
E14 5HU

www.balfourbeatty.com