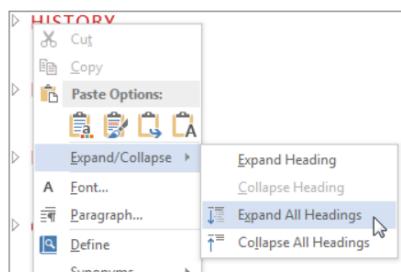






Navigation

This document can be navigated quickly by using the hyperlinks contained within the contents pages or any sections highlighted. Each section is collapsible/expandable; you will see a small triangle  when you move your cursor over the heading of the section. Clicking the small triangle collapses or expands the section. A right click gives you more options to expand or collapse all headings (as below).



ABBREVIATIONS/DEFINITIONS

BMS	Business Management System
JV	Joint Venture
Balfour Beatty	“Balfour Beatty,” “we,” or “our” refers to Balfour Beatty, specifically the Balfour Beatty company that is identified as the contractor in the relevant subcontract, consultancy agreement, or design agreement. This definition also includes any of its subsidiaries or brands.
Project	A contract or a framework incorporating a number of individual contracts with the same employer; or a business stream-level procurement requirement to service a number of smaller, similar individual projects (for example, Balfour Beatty Ground Engineering).
Site Lead	Balfour Beatty employee who is appointed to lead a contract or a framework.
Sustainability	Balfour Beatty considers ‘Sustainability’ to incorporate both environmental and social aspects of sustainability.
Supplier/ Subcontractor	“Supplier,” “you,” or “your,” for the purposes of these Conditions, refers to the supplier, subcontractor, consultant, or designer identified in the relevant subcontract, consultancy agreement, or design agreement.
Supply Chain	The network of suppliers, subcontractors, consultants, and designers that provide goods, services, and expertise necessary for Balfour Beatty to deliver its projects.

AUDIT & ASSURANCE

Balfour Beatty (or its 3rd party representatives) reserves the right to undertake audits of its Supply Chain to demonstrate compliance with these Supplier Sustainability Conditions. These audits may be electronic or in person (reasonable notice will be provided) and you will be required to offer every assistance in the provision of supporting relevant information.

These audit rights shall continue for 36 months after termination of any agreement.

N.B. Everyone working on a Balfour Beatty site who is not directly employed by Balfour Beatty may be required to provide evidence of identification including confirmation of address, passport, a valid contract of employment and details of the bank account where their wages will be paid.

Corrective Action

Non-compliance with these practices will result in corrective action, which could include termination of the business relationship.

Speak Up

If any Supplier or part of your supply chain has a serious concern about unethical behaviour involving any member of the Balfour Beatty group of companies or our supply chain, please Speak Up. We encourage you to raise any concerns or questions you have in confidence, and we value the information that you can provide. We will always support you for doing the right thing. We will not tolerate any retaliation or discrimination of any kind against anyone who has raised something in good faith.

Generally, you should first discuss the matter with senior management within your own organisation, who in turn should feel confident to raise it with Balfour Beatty senior management.

If you believe the matter cannot be handled appropriately in this way, you can contact our Speak Up helpline on 0800 028 0822 or www.balfourbeattyspeakup.com.

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SECTION 1: SUPPLIER REQUIREMENTS

1. Purpose

- 1.1 Sustainable' is one of our five core values. Balfour Beatty prides itself on being a responsible, sustainable business and is committed to protecting, and where appropriate, enhancing the environment, in which we operate for our customers and communities.
- 1.2 These Conditions are aligned with Balfour Beatty's Sustainability Strategy, Building New Futures, and consider both environmental and social sustainability requirements, including specific environmental compliance regulations.
- 1.3 Focussing on six areas most critical to business success, our [Sustainability Strategy](#) sets out our commitments to protect and enhance the environment and leave a positive social legacy.

Protecting and enhancing the environment						Leaving a positive social legacy		
Our focus areas	Climate change	Nature positive	Resource efficiency	Supply chain integrity	Community engagement	Employee diversity, equity and inclusion		
Our commitments	Mitigate and adapt to climate change	Protect and enhance the natural environment	Deliver resource efficiency through our operations	Empower sustainable suppliers and champion ethical practices	Deliver long lasting social benefits for the communities we operate in	Create a diverse and inclusive organisation		
Our targets	42% reduction in Scope 1 and 2 carbon emissions by 2030 ¹ Net zero Scope 1 and 2 carbon emissions by 2045 ² Net zero Scope 1, 2 and 3 carbon emissions by 2050 ³	Deliver on our clear and measurable targets to halt nature loss by 2030 Nature positive principles embedded across our UK operations to support nature recovery by 2050	Eliminate non-hazardous excavation waste to landfill in the UK by 2030 Zero avoidable waste in the UK by 2040 Zero avoidable waste in the US by 2050	25% reduction in Scope 3 carbon emissions from purchased goods and services by 2030 ⁴	£6 billion of social value created in the UK by 2030 ³ 60,000 hours of engagement with education in the UK by 2030 ³	Increase the number of female colleagues by 50% in the UK by 2030 ⁴ Increase minority ethnic and black representation by 60% in the UK by 2030 ⁴		

1 - measured against a 2020 baseline and verified by the SBTi

3 - measured against a 2025 baseline

2 - measured against a 2020 baseline, not verified by the SBTi as the SBTi only validate our near (2030) and long (2050) term targets

4 - measured against a 2021 baseline

- 1.4 Balfour Beatty recognises the contribution of all Suppliers in supporting and delivering on our sustainability objectives. These Conditions are designed to promote a positive and responsible attitude towards environmental and social sustainability matters. They intend to set the minimum standards and expectations acceptable to Balfour Beatty on projects, contracts or areas under its control.
- 1.5 The Supplier Sustainability Conditions are supported by Balfour Beatty's:
 - Code of Ethics UK Supplier Standards,
 - Environment Policy UK,
 - Procurement Strategy,

- Quality Policy,
- Sanctions Policy,
- Sustainability Policy,
- Sustainable Procurement Policy,
- Social Value Policy,
- Speak Up Policy,
- Suppliers Health and Safety Conditions
- Supplier Quality Conditions, and
- Modern Slavery Statement 2024 – Summary of key points for our supply chain partners.

All are available at [Important Documents for Suppliers and Subcontractors](#).

- 1.6 The Supplier must understand the contents of these Conditions and the supporting policies and incorporate all appropriate measures to ensure compliance with the relevant requirements in all engagements with Balfour Beatty.
- 1.7 Balfour Beatty expects that all Suppliers carry out their works and/or services in compliance with all relevant law and regulations, and in accordance with any relevant codes of practice and guidance issued by environmental regulatory authorities.
- 1.8 The Supplier shall, at all times, comply with all applicable UK tax laws and regulations, including but not limited to the timely payment of taxes, accurate tax reporting, and maintenance of appropriate tax records. The Supplier shall provide evidence of such compliance upon reasonable request by the Customer.
- 1.9 The Supplier shall not engage in, facilitate, or otherwise be involved in the criminal facilitation of tax evasion, whether in the UK or overseas, as defined under the Criminal Finances Act 2017. The Supplier shall implement and maintain reasonable prevention procedures to ensure compliance with the Corporate Criminal Offence legislation and shall promptly notify the Customer of any actual or suspected breach.
- 1.10 When participating in a tender with Balfour Beatty, Suppliers should anticipate a 10% minimum weighting on sustainability questions which are relevant and proportionate to the size of the procurement activity and the scope of works, and that align with project requirements.

2. General Supplier Requirements

- 2.1 All Suppliers must have a written commitment to sustainability objectives, including the identification of an individual person or management team with ultimate responsibility for environmental and sustainability matters. An example would be one or more policy documents (e.g., Sustainability Policy, Environmental Policy, Sustainable Procurement Policy, Social Value Policy). The written commitment must broadly align with those of

Balfour Beatty and include a statement committing to compliance with all relevant environmental and sustainability legislation.

2.2 Balfour Beatty operates an environmental management system certified to ISO 14001, providing a framework for managing and controlling the environmental impacts and risks of its activities. Suppliers are required to either have their own ISO 14001 certified management system from a UKAS accredited certification body or manage their activities on behalf of Balfour Beatty in accordance with our certified system, following all directions from our employees as outlined in the table below.

Supplier Type	ISO 14001 Requirement
Subcontractor	Own ISO 14001 certification or work under Balfour Beatty's.
Material Supplier	Own ISO 14001 certification required when doing greater than £1 million of work per annum with Balfour Beatty.
Plant Provider	Own ISO 14001 certification or work under Balfour Beatty's.
Service Supplier	Own ISO 14001 certification required when doing greater than £1 million of work per annum with Balfour Beatty.

2.3 All Suppliers must be able to provide evidence of any relevant third-party sustainability certification applicable to the work, services, goods, or plant being provided upon request. Examples include ISO 14001 certification, academic qualifications for services, product certifications for goods (e.g. FSC, BES 6001), or emissions certificates for plant.

2.4 All Suppliers must have access to and provide evidence of suitable sustainability advice appropriate to scope of work, services, goods or plant being provided. This may include employees or consultants with suitable environmental qualifications (e.g. PISEP or higher or other suitable equivalent) and / or other industry specific qualifications or experience that would demonstrate competency to advise on matters pertaining to key environmental and social considerations.

2.5 All Suppliers must demonstrate an understanding of the key environmental risks and opportunities relevant to their scope of work, services, goods, or plant. They must engage with Balfour Beatty on these matters by either providing suitable management plans, risk assessments, method statements, procedures, or processes, or by supplying sufficient information for Balfour Beatty to develop these documents. This collaboration aims to mitigate any environmental risks and support Balfour Beatty in reducing its carbon emissions in its supply chain, both prior to and during the delivery of the works.

2.6 All Suppliers must make their employees aware of all relevant sustainability arrangements relevant to the scope of work, services, goods or plant being provided in the form of training or any other suitable means.

- 2.7 All Suppliers must provide specific sustainability data in the format and frequency required as identified in the Sustainability Plan, or as agreed during the subcontractor pre-award meeting, contract award or performance management reviews. This includes Environment (e.g. carbon emissions, biodiversity net gain, BREEAM), Materials (e.g. waste to landfill and waste generated) and Communities (e.g. local labour, local procurement, charitable fundraising and volunteering) reporting.
- 2.8 In line with the [Green Claims Code](#), the Supplier is expected to be able to evidence and validate any sustainability claims.
- 2.9 The Supplier must comply with all applicable environmental consents, permits, and regulatory standards relevant to the works, services, goods, or plant being provided. Prior to engagement, the Supplier must notify Balfour Beatty of any permitting or consenting requirements associated with the scope of work and agree whether the Supplier or Balfour Beatty will be responsible for securing the relevant approvals. Such permissions may include, but are not limited to:
 - Marine licences
 - Flood risk activity permits
 - Discharge consents
 - Trade effluent consents
 - Protected species licences
 - Abstraction licences
 - Section 61 consents
- 2.10 In addition, the Supplier must:
 - Inform Balfour Beatty of any regulatory action (e.g. warning letters) received in the past three years.
 - Disclose any ongoing investigations by environmental regulators.
 - Notify Balfour Beatty of any regulatory action received during the delivery of the contract.

3. General Construction Subcontractors Requirements

- 3.1 Upon contract award and before starting on-site work, the subcontractor's representatives, including the site management team, will attend an introductory meeting. During this meeting, detailed sustainability arrangements will be confirmed.

- 3.2 The Subcontractor must follow all requirements specified in the relevant Balfour Beatty Project Management Plan, including those outlined in Appendix C: the Sustainability Plan.
- 3.3 The Subcontractor must establish a set of emergency arrangements for environmental incidents that align with Balfour Beatty's project-specific arrangements. These arrangements will be communicated during induction and included in the project Sustainability Plan. The Subcontractor must ensure that everyone under their control is informed of the applicable emergency procedures for the site or facility.
- 3.4 The Subcontractor must specify their environmental control measures, including any specific emergency arrangements, within the Method Statement or Work Package Plan for their operations or activities. These arrangements must be regularly tested, and the Subcontractor must ensure that everyone under their control participates in these tests/drills.
- 3.5 If the Subcontractor supplies or operates plant and equipment, adequately sized and stocked spill kits must be provided. Spill kits may include a variety of products and must be appropriate for the material they are required to contain or clean up. Spill kits used to absorb chemicals and hydrocarbons must be disposed of appropriately as hazardous waste. All employees of the Subcontractor must be aware of what to do in the event of a spill.
- 3.6 The Subcontractor is responsible for reporting all environmental incidents and near misses to Balfour Beatty regardless of scale or magnitude, in accordance with Balfour Beatty's incident reporting processes. These incidents include, but are not limited to, uncontrolled discharges to land or water, uncontrolled emissions to air, spills, waste incidents, unplanned disturbances such as noise, dust, light, or other external impacts, and incidents involving non-native species, biosecurity, and ecological concerns.
- 3.7 Subcontractor's environmental incidents must be thoroughly investigated, and a report provided to Balfour Beatty promptly. An initial investigation report must be submitted within 24 hours of the incident. A comprehensive investigation report, detailing the root cause and corrective and preventative actions, must follow within a reasonable timeframe. Additionally, any correspondence with regulators related to the contracted works must be provided to Balfour Beatty.
- 3.8 Balfour Beatty takes its rules and standards very seriously. Any breach by the Subcontractor or their employees will result in appropriate corrective action, which may include a formal review of the Subcontractor. All Subcontractor employees must be aware that violating a sustainability rule, standard, or legislation could lead to suspension or permanent exclusion from the site.

4. Water

- 4.1 The Supplier must not discharge or abstract water without the necessary regulatory permission. This applies to all discharges to surface and foul water drainage systems, as well as discharges containing silt to land or as runoff from planned activities.
- 4.2 The Supplier must avoid performing any concrete washout activities on site. If this is unavoidable, concrete residues (e.g. from chutes) must be washed out in secure, designated areas. All washout activities and locations must be approved in advance by Balfour Beatty. Water must be contained and must not be discharged directly to the ground or allowed to leak.
- 4.3 The Supplier must take all reasonable steps to minimise water usage including:
 - using products with lower embodied water;
 - reducing water use during construction;
 - enabling water efficiency in use; and
 - co-operate and co-ordinate with others including contractors, the supply chain and consultants, engaged in connection with the works in furtherance of this clause.
- 4.4 If works are required to meet BREEAM or other customer requirements, suppliers of cement, bricks, concrete blocks, steel, rebar, cabling, glass, plaster, timber, PVC, asphalt, and aggregates must, upon request, quantify and provide details of embodied water (cradle to grave).

5. Air Quality

- 5.1 Best practicable means must be used when planning and undertaking works to reduce or prevent emissions to air.
- 5.2 Water or other suppression/extraction methods must be used to prevent dust generation, with careful consideration given to water runoff.
- 5.3 Wagons must be sheeted when delivering or carrying dusty materials, both off-site and within the site.
- 5.4 Non-Road Mobile Machinery (NRMM) is defined as any mobile machine, transportable industrial equipment, or vehicle, with or without bodywork, that:
 - Is not intended for carrying passengers or goods on the road.
 - Is equipped with a combustion engine, either an internal spark ignition (SI) petrol engine or a compression ignition diesel engine.

- 5.5 All NRMM rated between 37kW and 560kW must comply with the requirements outlined in ENV-RM-0011a Non-Road Mobile Machinery (NRMM) Emissions Regulations (available here in [Important Documents for Suppliers and Subcontractors](#)) or a project specific standard if provided.
- 5.6 Where requirements cannot be met, equipment must be fitted with appropriate retrofit abatement technology that is registered and endorsed by the Energy Saving Trust NRMM certification scheme. Suppliers who own or hire equipment with retrofit technology must provide supporting information on the retrofit technology to the project lead.
- 5.7 Where NRMM does not meet emission standards and retrofit abatement solutions are unavailable, exemptions must be sought from the relevant regulator. Currently, this includes the Greater London Authority for work sites in Greater London or HS2 for any work sites supporting HS2. As more local authorities implement low emission zones, additional regulators may establish their own rules for exemptions.
- 5.8 When NRMM is delivered to project sites, it should be certified to the Emissions Compliance Verification (ECV) scheme whenever possible. If certification is not available, the Supplier must inform Balfour Beatty, providing details such as the machinery type, manufacturer, engine manufacturer year, plant ID code, engine EU type approval number, engine power in kW, and the EU engine emission stage, so this information can be logged in the NRMM database. Additionally, when NRMM is removed from the site, project managers must be informed to update the NRMM database accordingly.

6. Energy and Carbon

- 6.1 From Quarter 4 2023, Suppliers with contracts collectively valued at £5 million or more per annum with Balfour Beatty must have an independently validated Science Based Target in place or have submitted their Science Based Target Commitment letter or setting form for SMEs within 6 months of contract award.
- 6.2 The Supplier must take all reasonable steps to minimise energy usage, including:
 - Reducing energy use during design, manufacture, delivery, and construction.
 - Enabling operational energy efficiency improvements by, for example, providing instructions for using energy more efficiently and raising awareness among employees.
 - Developing a suitable management plan to monitor, manage, report, and provide feedback on the performance of the above components, where possible in line with Certified Measurement and Verification Professional guidelines.

- Cooperating and coordinating with others, including contractors, other suppliers, and consultants, engaged in connection with the project to further this clause.

6.3 Balfour Beatty is working to improve the quality of its Scope 3 reporting and the Scope 3 data that is shared with customers. Suppliers of materials, including subcontractors, may need to provide monthly embodied carbon data of key materials supplied, in the form of an lifecycle assessment (LCA), Environmental Product Declaration (EPD), or mutually agreed validation process. Balfour Beatty will identify the data sharing requirements and frequency.

6.4 Where a project requires, suppliers of fleet, plant, and equipment must provide the Scope 1 and 2 GHG emissions in tCO2e. Balfour Beatty will identify the data sharing requirements and frequency.

6.5 When road transportation or haulage is the principal activity of the Supplier's agreed works, suppliers may be required to provide key carbon data including:

- Kilometres or miles of logistics movements undertaken on behalf of Balfour Beatty.
- The principal mode of transport.

6.6 The Supplier is not permitted to use Hydrotreated Vegetable Oil (HVO) or Gas to Liquid (GTL) on Balfour Beatty's projects unless explicitly requested in writing. Our [Position Statement](#) provides more details about our concerns regarding HVO and GTL.

7. Ecology and Archaeology

7.1 Where a work location has protected status as a site of archaeological interest or a natural habitat of ecological value, access to that location may need to be restricted and controlled. The Supplier must not commence work until all necessary permits have been obtained from the relevant regulatory authorities.

7.2 The Supplier is required to identify any significant environmental risks to protected species, habitats, and cultural heritage/ancient monuments in their risk assessments. They must document the control measures they will implement to eliminate, mitigate, or control these risks.

7.3 The Supplier must stop work and report any wildlife not specified in a permit or authorization within the scope of work, as well as any items of potential archaeological interest discovered during the planning or execution of activities.

7.4 The Supply Chain is expected to follow the advice and recommendations of Balfour Beatty's Sustainability Team, and any specialist archaeologists or ecologists employed by Balfour Beatty.

8. Resource Efficiency

- 8.1 Balfour Beatty requires the Supplier to fully undertake their duty of care on third party waste carriers and waste facilities, by ensuring that all licences, permits and exemptions are up to date, and that facilities are operating legally and in compliance with the Waste Duty of Care legislation. The Supplier must retain a documented record of all checks conducted and supply this to Balfour Beatty on request.
- 8.2 The Supplier and its supply chain must contribute to the project's waste management plan by identifying potential waste streams that could arise during their works. This includes the potential discovery of contaminated land, its identification and management, along with estimated total quantities of each waste type produced, and the planned route of disposal.
- 8.3 The Supplier must comply with the site waste segregation strategy, including the avoidance of cross-contamination of segregated (non-mixed) skips.
- 8.4 Where the Supplier makes their own arrangements for waste storage and disposal, they must:
 - provide records of all transfers from the project;
 - ensure that fully completed waste transfer notes or hazardous waste consignment notes are obtained for all waste movements; and
 - provide regular reports on the type and quantity of waste reused, recycled, otherwise recovered, or disposed of to landfill – with at least 98% of waste diverted from landfill.
- 8.5 Suppliers carrying out demolition and deconstruction subcontracts must carry out a pre-demolition audit and consider maximising the recovery of materials and resources; minimising demolition arisings through recycling and identifying reuse opportunities; the production/supply of construction materials from recovered demolition arisings; design modification to limit amount of demolition (such as facade retention and other existing structure reuse); and input into new design proposals to assist future demolition.
- 8.6 The Supplier should substitute the use of scarce minerals wherever possible.
- 8.7 The Supplier must follow the waste hierarchy and design, specify and procure materials, products and services with the greatest circular-economy benefits.
- 8.8 The Supplier must take all reasonable steps to minimise waste through their design proposals, materials supplied and operations on site.
- 8.9 The use of packaging must be minimised and where appropriate made from materials that can be reused, recycled, or recovered wherever feasible, including the use of take-back and collection services for their materials and associated packaging for subsequent reuse, recycling or recovery.

- 8.10 The Supply Chain must make available all relevant information associated with primary, secondary and tertiary packaging in accordance with the Packaging Waste Regulations and the Plastic Packaging Tax. Suppliers will be required to take back any packaging deemed excess or non-compliant (e.g. ISPM15) at their own expense.
- 8.11 Suppliers of recycled aggregate must be in full compliance with the duty of care requirements of the Waste Management Regulations or the WRAP Quality Protocol. Delivery documentation description must state that the product was produced under a quality protocol.
- 8.12 Suppliers should employ closed loop systems to reuse or recycle content within goods and materials supplied where possible.

9. Ethical Sourcing

- a) Suppliers must ensure that their supply chain partners providing goods, services, or labour to Balfour Beatty adhere to Balfour Beatty's [Code of Ethics - UK Supplier Standards](#).
- b) Due to [UK Government concerns](#) of human rights violations in Xinjiang Province, China, Balfour Beatty requires that no materials are procured from this area. If no alternative supply chain is available, the supplier must inform the Procurement lead of the origin of the supply and outline their labour exploitation mitigation methods.
- c) The Supplier should be able to demonstrate the country of origin and province/state of key components of any materials supplied.
- d) When sourcing goods, products, and services, suppliers must consider the ethical records of the materials, labour, products, and services, as well as their supply chains. Acceptable ethical records include chain-of-custody documentation that demonstrates the movement of materials or goods through the supply chain to their origin, and certificates of assurance from recognised UK, EU, or global bodies certifying the ethical sourcing of key components (e.g. BES 6001, Aluminium Stewardship Initiative etc).
- e) The Supplier should actively conduct due diligence in ethical sourcing, considering environmental, social, and economic factors, and maintain a commitment to continual improvement. The Supplier must be prepared to provide evidence of their approach, plan, or process at any time upon request.
- f) The Supplier must avoid providing or using materials with high environmental, social, health, or reputational risks, or those likely to be restricted due to upcoming legislative requirements.

9.1 Modern Slavery

9.1.1 All suppliers, regardless of size or turnover, must publish a Modern Slavery Statement in line with Home Office statutory guidance.

9.1.2 Suppliers must ensure that they and their supply chains:

- Comply with all relevant laws and standards, including the Modern Slavery Act 2015, UN Global Compact, ETI Base Code, and ILO Labour Standards
- Employ personnel directly wherever possible and, when it is necessary to engage recruitment agencies, ensure that these agencies operate legally and ethically in line with the Employment Agencies Act 1973 and ensure that the employment status of all agency or umbrella company workers is assessed correctly under S44 IT(E&P)A.
- The use of umbrella companies for the purposes of paying workers must be compliant with the Freelancer & Contractor Services Association (FCSA) standards and codes of practice.
- Unless agreed otherwise by Balfour Beatty, it is assumed that a worker will be under the supervision, direction or control (or the right of) of at least one party in the supply chain and therefore must be engaged as an employee of the employment agency or umbrella company subject to deductions of PAYE & NIC.
- Conduct regular due diligence and provide training on labour standards.
- Maintain a confidential grievance/whistleblowing mechanism.

9.1.3 Suppliers are fully responsible for labour practices across their supply chain, including subcontractors and labour agencies.

9.1.4 Where labour is provided via third parties, suppliers may be asked to provide evidence of:

- **Document checks:** Right-to-work verification, ID validation, and document ownership.
- **Employment contracts:** Written contracts for all workers, with no recruitment fees.
- **Wage compliance:** Payment of at least the legal minimum wage, with no unlawful deductions.
- **Worker rights:** Clear communication of statutory rights (e.g. sick pay, holiday pay).
- **Working hours:** Monitoring and compliance with the UK Working Time Regulations (or equivalent regulations for Non-UK based suppliers).

9.2 Material Supply Chain Labour Standards

9.2.1 For materials sourced from high-risk countries (see 15.3), suppliers must conduct regular labour audits, either independently or via third-party auditors. Upon request, suppliers must provide:

- **Audit summaries** and evidence of inspections.
- **Corrective actions** taken to address issues.
- **Audit templates** used.

9.2.2 Audits must confirm that supply chains:

- Comply with international labour standards and laws.
- Prohibit forced, bonded, or prison labour.
- Promote equal opportunity and non-discrimination.
- Adhere to legal working hours and wage standards.
- Prevent abuse and ensure fair disciplinary processes.
- Safeguard health and safety.

9.2.3 High-risk countries are those listed as non-compliant in the [Trafficking in Persons Report 2024](#).

9.2.4 Suppliers must stay updated on high-risk country classifications and ensure compliance.

9.2.5 Additional guidance is available via the [Walk Free Foundation's Global Slavery Index](#).

Supply chain partners are required to notify Balfour Beatty as soon as they become aware of any potential or actual instance of Modern Slavery or Labour Exploitation taking place in their business or supply chain.

If the person is in immediate danger or is under 18 then call 999 as a matter of urgency

If you have any suspicions about any other potential labour exploitation, please report them to Balfour Beatty's Speak Up helpline online at www.balfourbeattyspeakup.com or on **0800 028 0822** with the specific details of the case. We commit to taking the issues raised seriously, and concerns can be reported anonymously if preferred.

If you are unsure whether your concern should be reported through Speak Up, you may contact **Ethics@balfourbeatty.com** for guidance.

10. Supply Chain Development

- 10.1 The Supplier is expected to enhance the sustainability knowledge of their teams. Balfour Beatty encourages them to become active members of the Supply Chain Sustainability School (or a suitable industry alternative for non-construction sector suppliers) and to work towards bronze, silver, and gold level accreditation as a demonstration of competence.
- 10.2 The supply chain is expected to identify opportunities to improve sustainability outcomes and share these with Balfour Beatty to enhance project delivery and achieve the goals outlined in our [Building New Futures Strategy](#).

11. Inclusive Procurement

- 11.1 If requested by the project, the Supplier must provide Balfour Beatty with details of attributable spend with local suppliers and subcontractors. 'Local' is defined as within a 20-mile radius of the project unless otherwise specified. For linear or large scale projects, multiple site locations can be used.
- 11.2 The Supplier is encouraged to engage with Small and Medium Enterprises (SMEs) and voluntary, community, and social enterprise (VCSE) organisations.
- 11.3 The Supplier must openly advertise any remaining supply chain opportunities (i.e. where no contractual arrangements have been agreed by the date of the main contract award) on portals such as CompeteFor.
- 11.4 The Supplier must have an up-to-date Equality Diversity & Inclusion Policy (or equivalent) that reflects and complements the relevant statutory provisions relating to diversity and equality law concerning race, sex, gender reassignment, age, disability, sexual orientation, religion or belief, pregnancy, maternity, or otherwise. This policy should include details of their approach to monitoring, recruitment, bullying and harassment, and training.
- 11.5 The Supplier must pay their suppliers and employees on time and in accordance with the contract conditions.

12. Developing Talent

- 12.1 The Supplier is encouraged to implement programmes and policies that promote local employment, including graduate programmes, apprenticeships, and the use of local labour. Special emphasis should be placed on supporting economically inactive and disadvantaged groups or individuals, along with reporting any attributable outcomes achieved. Certain projects delivered by Balfour Beatty will require the Supplier to share details of these programmes and project-specific commitments.

- 12.2 The Supplier is encouraged to join [The 5% Club](#) as a demonstration of their commitment to having at least 5% of their UK workforce enrolled in formalised apprentice, sponsored student, and/or graduate development schemes within five years.
- 12.3 The Supplier is encouraged to actively support the development of STEM (Science, Technology, Engineering, and Mathematics) careers across all communities. This includes engaging with educational institutions, participating in outreach programmes, and promoting STEM learning through recognised initiatives.

13. Community Engagement

- 13.1 The Supplier is required to engage positively with the local community and support Balfour Beatty in minimising disruption to residents. This can be achieved by actively supporting the commitments outlined in the Sustainability Plan or through their own social impact action plan, and by providing suitable evidence of these efforts. In particular, Balfour Beatty prioritises are:

- Local spend
- Local skills and employment
- School and college engagement
- Supporting community projects
- Work experience, T-levels and training opportunities
- Volunteering
- Charitable contributions and fundraising

SECTION 2: MATERIAL SPECIFIC REQUIREMENTS

14. All Suppliers

- 14.1 Where it is identified that a material is required which is contrary to the requirements set out in this document and no suitable alternative is available, a concession must be sought from the Balfour Beatty Project Lead or Sustainability Lead.
- 14.2 Failure to seek approval may result in the material or product being removed, disposed of, and replaced at the Supplier's expense. Retrospective approval will only be considered in exceptional circumstances.
- 14.3 All Suppliers must not use or supply goods containing hazardous chemicals covered by the Stockholm and OSPAR Conventions and comply with [UK REACH](#).

15. Suppliers of Timber Based Products (including timber packaging)

- 15.1 The Supplier shall ensure that 100% of timber products, including any timber-based packaging, are sourced from independently verifiable legal and sustainable sources, in accordance with the UK government's Timber Procurement Policy. Acceptable evidence includes certifications under recognised schemes such as the Forest Stewardship Council (FSC) or Programme for the Endorsement of Forest Certification (PEFC), which meet the UK government's Category A evidence criteria.
- 15.2 A copy of the relevant current Chain of Custody (COC) certificate number relating to the material supplied must be provided on the invoice and delivery documentation, and subsequent invoice, to satisfy Balfour Beatty policies and applicable project audits and assessments such as BREEAM or equivalent.
- 15.3 For reused or reclaimed timber brought to site, including recycled timber pallets but not specifically purchased, a statement or other guarantee confirming the material's reused or reclaimed status must be provided on delivery. This should include sufficient detail to demonstrate traceability to its original source or prior use and confirm that the timber was originally harvested legally and sustainably. Where certification is not available, the supplier must provide Category B evidence in line with the UK Timber Procurement Policy, including supporting documentation such as delivery records, supplier declarations, photographs, or independent verification.
- 15.4 Failure to comply with these requirements will result in the delivery being rejected or returned at the Supplier's expense as non-compliant.
- 15.5 All wood packaging material (WPM) imported into the UK must be compliant with ISPM15 international standards, regardless of origin—including from EU member states, Switzerland, and Portugal. This means WPM must be debarked, appropriately treated (heat or fumigation), and bear the official ISPM15 mark; no exemptions or alternative markings are accepted. *This clause applies to all forms of solid wood packaging, including pallets, crates, dunnage, and cable drums. Exemptions apply only to processed wood products such as plywood, particle board, and wood less than 6mm thick.*
- 15.6 Timber must not be sourced from countries with poor enforcement of social and environmental laws or those subject to international sanctions. Based on a detailed risk assessment, regions generally considered high-risk include Latin America (e.g. Brazil, Peru, Bolivia), Sub-Saharan Africa (e.g. Cameroon, DRC, Republic of the Congo), Southeast Asia (e.g. Cambodia, Laos, Myanmar), and Eastern Europe (e.g. Russia, Belarus, Ukraine). Procurement from these areas should be avoided unless robust due diligence and credible third-party certification (e.g. FSC, PEFC, FLEGT) are in place.

16. Suppliers of Steel Products or Components

- 16.1 Suppliers of all steel products should aim to ensure the best value for money by considering relevant social and environmental benefits where appropriate.
- 16.2 Steel products should be accredited to BRE Standard BES 6001. The supplier must be able to produce evidence of certification on request.
- 16.3 Carbon steel reinforcement (for use in concrete) or reinforced concrete containing reinforcement bars must be accredited to BRE Standard BES 6001 or CARES SCS accredited to BS 8902.

17. Suppliers of Aggregates, Concrete and Cement products

- 17.1 The Supplier should optimise concrete specifications to meet performance requirements while minimising carbon content as much as possible. This includes maximising the use of cement replacement products in concrete mixes.
- 17.2 Ground Granulated Blast Furnace Slag (GGBS) may be used where it is technically required. However, it should not be used in high proportions solely to reduce carbon emissions, as this may contribute to increased global emissions¹.
- 17.3 Where feasible, the Supplier shall prioritise sourcing materials locally to the project or site location, to minimise transportation-related carbon emissions and support local economic development.
- 17.4 All commercially exploited UK primary aggregate shall include the current HMRC aggregate levy charged at the appropriate rate where applicable.

18. Suppliers of Dimensional Stone

- 18.1 Responsible sourcing of natural stone and primary aggregate products must be evidenced through compliance with a recognised responsible sourcing scheme (e.g., Ethical Stone Register, BES 6001, or SA8000), certified by a third party.
- 18.2 Companies using the Ethical Stone Register must:
 - as a minimum, meet the Verification Level as an organisation for UK and EU-sourced stone; and
 - as a minimum, meet the Verification Level per stone type supplied for stone originating from outside the UK and EU.

¹ <https://www.istructe.org/resources/guidance/efficient-use-of-ggbs-in-reducing-global-emissions/>

- 18.3 Stone suppliers should be active members of either the Ethical Trading Initiative (ETI Stone Group), TFT's Responsible Stone Programme, or be signatories to the Stone Federation GB's Responsible Sourcing Pledge.
- 18.4 Products supplied must be able to show a clear chain of custody from source to point of use. EU-sourced stone must have the appropriate UKCA marking, and certification provided with each delivery.

19. Suppliers of Topsoil

- 19.1 Topsoil can be either natural or manufactured. The Supplier must only supply natural topsoil or manufactured topsoil made from PAS100 certified compost and virgin quarried fines.
- 19.2 If there are exceptional circumstances where the Supplier proposes to supply manufactured topsoil which is made from other materials prior agreement must be obtained from the Balfour Beatty Site Lead and Environmental Advisor to ensure compliance with legal requirements.
- 19.3 Natural topsoil can come from the development of greenfield sites and sometimes from undisturbed and uncontaminated areas of brownfield sites.
- 19.4 Manufactured topsoil can be produced by mixing appropriate mineral and organic materials to create a rooting medium that provides the same function as natural topsoil. Manufactured topsoil can include components such as natural topsoil, sand, overburden, green compost, treated biosolids, fertiliser, and lime.
- 19.5 The Supplier must state the type of topsoil being supplied on delivery tickets and invoices.
- 19.6 Some or all of the components that go into manufactured topsoil may be classed as waste material (excluding PAS100 certified compost and virgin quarried fines). As such, the resulting manufactured topsoil may be considered waste and must only be used with the appropriate regulatory permissions in place. Even if manufactured topsoil containing waste has been tested and conforms to BS3882:2015 Specification for Topsoil, it is still classified as waste.

20. Plant and Equipment – Specified Generator Regulations

- 20.1 Balfour Beatty encourages the use of the most efficient generators and promotes the use of renewable energy:
 - Diesel generators should be appropriately sized based on a site-specific demand forecast to reduce emissions by lowering fuel consumption.

- Generators serving accommodation should be sized according to average forecasted demand, taking into account the use of energy management systems — such as EcoNet — which prevent demand from exceeding maximum supply capacity.
- Generators should be paired with battery storage units where this enables the selection of a smaller generator, or where out-of-hours loads are forecast to be low enough for the generator to be switched off during periods of low demand.
- When sizing generators, lean or synchronous pairs should be considered to avoid high idle rates during low-demand periods.
- Pairing generators with battery storage and a renewable energy source should be considered to further reduce fuel usage.
- Pairing generators with battery storage and a renewable energy source should be considered to further reduce fuel usage.
- Hydrogen power units, supplied by green or low-carbon hydrogen, should be considered as an alternative to diesel generators.

20.2 The Supplier must ensure that any obligated generators under the Specified Generator Regulations have an appropriate environmental permit in place and that emission limit values (ELVs) are met prior to operation.

20.3 Obligated generators may be:

- An individual generator with a rated thermal input of between 1MWth and less than 50MWth.
- Multiple generators operated on the same site (known as a specified generator group) which in total have a rated thermal input of between 1MWth and less than 50MWth.

20.4 The Supplier must consult the latest regulatory guidance to establish whether an environmental permit is required and what type.

20.5 The Supplier must:

- Notify Balfour Beatty of any obligated generators in operation on site within 24 hours of delivery.
- Provide a copy of the environmental permit to the Site Lead, Facility Manager, or Environmental & Sustainability Lead within 24 hours of the generator's delivery.
- Notify Balfour Beatty within 24 hours if ELVs are not met.

21. Suppliers of Solar Photovoltaic Products

21.1 Solar PV products are at high risk of human rights violations in the supply chain.

- 21.2 Solar PV Suppliers should avoid sourcing products or components from Xinjiang province.
- 21.3 All Solar PV Suppliers must undertake enhanced due diligence of their supply chain partners to ensure there are no substantiated claims of human rights violations.
- 21.4 A free guidance document, launched in September 2023, titled [Addressing Modern Slavery in Solar PV Supply Chains: Guidance](#), is available.
- 21.5 Further support is available from Balfour Beatty's Responsible Sourcing team.

22. Suppliers of Bricks

- 22.1 Preference is for UK or EU sourcing of bricks due to human rights concerns in the sector.
- 22.2 Countries at high risk of modern slavery for bricks include, but are not limited to, Afghanistan, China, Cambodia, India, Myanmar, Nepal, North Korea, South Korea, and Pakistan.
- 22.3 Non-UK or EU brick sourcing will need sign-off by the Responsible Sourcing team.

23. Suppliers of Volatile Organic Compounds (VOC) Products (Paints, Sealants, Adhesive etc.)

- 23.1 Including, but not limited to, Suppliers of paints, sealants and adhesives.
- 23.2 The Supplier shall, as far as reasonably practicable, substitute for low VOC products, such as water-based finishes.

24. Asbestos

- 24.1 Suspected asbestos waste, including asbestos in soils, must be disposed of as hazardous/special waste unless testing has proven it to be non-hazardous.
- 24.2 Disposal of asbestos must be carried out by a registered waste carrier to a specified disposal facility, with a consignment note issued.