



# Modern Slavery Statement

2023

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**Balfour Beatty**

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## Modern slavery statement 2023

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

This statement has been published in accordance with the Act. It sets out the steps taken by Balfour Beatty plc and other subsidiaries in the Balfour Beatty Group of companies during 2022 to prevent modern slavery and

human trafficking in its business and supply chains. This statement has been written using the Ethical Trading Initiative Framework for Evaluation<sup>1</sup> as a guide. It has been reviewed and approved by the Balfour Beatty plc Board on 12 May 2023 and signed on its behalf by Leo Quinn, the Balfour Beatty plc Group Chief Executive. It has also been approved by the boards of Balfour Beatty Group Limited and Balfour Beatty Group Employment Limited.

<sup>1</sup> <https://www.ethicaltrade.org/issues/modern-slavery/modern-slavery-statements-evaluation-framework>

# Foreword

As a responsible business, Balfour Beatty takes its commitment to tackling modern slavery and human trafficking seriously. Modern slavery is a complex issue, especially in the construction and infrastructure industry, which has a transient workforce and multi-layered supply chains. Although we are confident that the extensive checks and balances we have in place, teamed with our focus on ethical procurement, mean that modern slavery is unlikely in Balfour Beatty’s own business operations, the risk remains higher in our indirect supply chain. With this in mind, we take a targeted approach to promote ethical practices, raise awareness, and educate our supply chain and workforce, constantly reinforcing our Values and ensuring that we have a 'speak up' culture.

Balfour Beatty recognises that tackling modern slavery requires collective effort and welcomes the Government’s efforts to strengthen protection for victims and increase accountability for organisations. We are committed to transparency in our approach and to working with partners to create a more ethical and responsible industry, and to make a positive impact on the lives of those affected by modern slavery.



**Leo Quinn**  
Group Chief Executive

# Introduction

In our 2022 modern slavery statement, we outlined our commitment to ethical business practices and fostering a culture of awareness and transparency at Balfour Beatty. A key element of our efforts in 2022 was the launch of our new Code of Ethics, ‘Doing the Right Thing’, which applies across all of our operations. Accompanying our Code of Ethics is compulsory training for all existing employees and those new colleagues coming into the business, on recognising and reporting signs of modern slavery.

Our commitment to raising awareness and continuous training remains crucial in combatting modern slavery. In partnership with the Supply Chain Sustainability School, we offer free customised modules on sustainability and modern slavery to our supply chain partners, and have implemented various measures to support ethical practices, as detailed later in this statement. Additionally, unannounced site

audits enable us to identify risks and detect gaps or practices that could lead to modern slavery being able to take place. In 2022, we conducted a number of site and supply chain audits. Although no modern slavery cases were found, the audits resulted in measures being put in place to further strengthen our approach.

Finally, we know that reintegrating modern slavery victims back into the workplace can be an important part of their recovery. With the aim of making a positive difference to modern slavery survivors, Balfour Beatty announced its partnership in 2022 with the charity Bright Future, which supports victims back into the workplace.

By committing to identifying and addressing potential modern slavery situations, fostering a culture of awareness and transparency, and complying with regulatory duties, we strive to minimise the occurrence of modern slavery and labour exploitation throughout our operations and supply chain.



**Chris Johnson**  
Chief Technology Officer  
and Executive Sponsor

**Our belief is that everyone, regardless of who they are or where they live, should be entitled to basic rights and freedom. Therefore, we strongly oppose all forms of modern slavery, regardless of location.**

To combat modern slavery, we are committed to being a responsible business that respects human rights. We are clear that modern slavery is unacceptable, not only in our own operations but also in the organisations that work with us or on our behalf. We only work with supply chain partners who employ individuals who choose to work freely, have equal opportunities, and are entitled to freedom of association and collective bargaining.

To enhance our understanding of modern slavery, we consult with experts and listen to those directly affected. We work closely with our colleagues and suppliers to maintain our standards and address the risk of modern slavery.

Additionally, we advocate for broader action against modern slavery and collaborate with others to use technology to help combat it.

Our approach to modern slavery is constantly evolving to ensure that we keep pace with the challenges of the changing external environment. In 2022, we strengthened the framework that supports our activities in this space, with a new Code of Ethics and improved governance for our work on modern slavery. We focused our activity on the following areas:

Midland Metropolitan University  
Hospital, Birmingham



## Key activities in 2022

| Focus area                                                                                                                                                              | Progress made in 2022                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Launch of new Code of Ethics including high-level training on modern slavery.                                                                                           | The launch of Balfour Beatty's new Code of Ethics: Doing the Right Thing was successfully completed in June 2022. In September 2023, in-person training was carried out for all senior leaders with mandatory e-learning launched for all employees, including amongst other things modern slavery. Completion rates of 97% and 95% respectively were achieved across the Group.                                                                                                                                                                                                                                                                                                                      |
| Code of Ethics - supply chain                                                                                                                                           | We expect all our supply chain partners to adopt clear commitments on ethical business consistent with those in our Code of Ethics and to always act with integrity. That's why we have launched our Code of Ethics Supplier Standards in the UK and Business Partner Standards in the US. These draw out the key elements of our Code of Ethics to help our business partners understand the standards and behaviours we expect and how they can help us leave a positive legacy.                                                                                                                                                                                                                    |
| Relaunch of Ethics Officer programme.                                                                                                                                   | Balfour Beatty's Ethics Officer programme was relaunched in February 2022 with training on modern slavery and the Speak Up helpline forming part of the induction. Ethics Officers contributed to the launch of the new Code of Ethics and attended a regular cadence of scheduled meetings continuing into 2023 and beyond.                                                                                                                                                                                                                                                                                                                                                                          |
| Development and roll-out of a modern slavery communications plan.                                                                                                       | Our communication plan for addressing modern slavery included new, targeted, posters highlighting modern slavery and how to report any concerns. As well as English, the posters were translated into the three most common languages spoken on our sites and were deployed in locations including the back of toilet doors rather than simply on notice boards. This encourages people to engage without needing to be concerned that they might be observed. Modern slavery was also included in surveys of our supply chain, in training supporting the roll-out of our new Code of Ethics and featured in toolbox talks and internal communications with our employees.                           |
| Review of systemic risks from audit findings and actioning as appropriate in response.                                                                                  | In 2022, we underwent both internal and external audits which assessed the status of our modern slavery programme. The audit highlighted improvements that could be made to the modern slavery programme, the implementation of these are being overseen by the Modern Slavery Working Group.                                                                                                                                                                                                                                                                                                                                                                                                         |
| Partnering with a charity supporting survivors of modern slavery in the UK.                                                                                             | In 2021, we made a commitment to explore the possibility of partnering with a UK-based charity that supports survivors of modern slavery. During 2022, we collaborated with Bright Future to identify how best to support victims of modern slavery to help them return to work.                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Development of a US procurement strategy to evaluate our supply chain partners and emphasise the importance of adherence to the highest standards of ethical behaviour. | Recently Balfour Beatty US released new Business Partner Standards, in conjunction with our Code of Ethics, to set expectations required of anyone working with us or on or behalf of us, including operating in a manner that respects and upholds human rights. As we progress through 2023, we are undergoing a compliance risk assessment process throughout our US portfolio that will, among other things, determine the extent of modern slavery risk in our operations and supply chain and evaluate the controls currently in place to address those risks. This will inform future enhancements to the compliance programme and procurement strategy intended to combat supply chain risks. |
| Expansion of Modern Slavery Working Group.                                                                                                                              | Expansion of the Working Group membership to ensure all parts of the business have a dedicated representative to help map business risks and mitigations plans, with a focus on operational expertise.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Establishment of Modern Slavery Steering Committee.                                                                                                                     | A Modern Slavery Steering Committee has been established to strengthen governance over Balfour Beatty's modern slavery strategy. Chaired by the Group General Counsel, the cross-functional committee provides Group oversight and has responsibility for the strategic plan to address modern slavery risks.                                                                                                                                                                                                                                                                                                                                                                                         |



Stockingfield Bridge, Glasgow

# Structure, business and supply chain

## About Balfour Beatty

Balfour Beatty is a leading international infrastructure group with 25,000 employees driving the delivery of powerful new solutions, shaping thinking, creating skylines and inspiring a new generation of talent to be the change-makers of tomorrow.

We finance, develop, build, maintain and operate the increasingly complex and critical infrastructure that supports national economies and deliver projects at the heart of local communities. Our projects span transportation, power and utility systems, social and commercial buildings, combining world-class investments capability and leading construction and support services to deliver both large, nationally critical complex infrastructure and local and regional projects at the heart of local communities.

Our main geographies are the UK, US and Hong Kong, where we have a joint venture business, Gammon.

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

Balfour Beatty is committed to operating with integrity and high ethical standards in line with the Values and Behaviours set out in our Cultural Framework. We are determined to leave a positive legacy for the people we work with, the communities we work in, and the world in which we operate, as we set out in our Sustainability Strategy, Building New Futures. We fully support the UK Modern Slavery Act and the UN Universal Declaration of Human Rights and associated standards.

# Our workforce

**Balfour Beatty's workforce is made up of permanent and temporary skilled and lower skilled roles 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 ensure that our due diligence extends beyond the first tier of the recruitment process. 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.**

## UK

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

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

## US

As per the Global Slavery Index, the United States is considered one of the countries with the lowest risk of modern slavery incidents. Our Code of Ethics explicitly prohibits modern slavery and is cascaded down to our supply chain through the inclusion of new Business Partner Standards. We also implement subcontractor prequalification and third-party due diligence processes. Furthermore, the stringent employment verification regulations in the US significantly reduce the likelihood of modern slavery incidents occurring on our job sites.

## Hong Kong

Gammon's labour force in Hong Kong is in the majority provided by subcontractors engaged on universally accepted subcontract terms including provisions prohibiting the employment of illegal immigrants and persons not legally employed. Where the workforce is employed directly by Gammon, they are retained on employment contracts complying with the requirements of Hong Kong Labour Ordinances. Gammon maintains close relations with the various local trade unions which allow the opportunity for mutual areas of concern to be addressed proactively.

Gammon uses agents to provide workers for Singaporean operations. These agents must be licensed with the Singaporean Ministry of Manpower. This ensures they are following the correct work permitting requirements for construction, particularly for overseas workers. Gammon must declare the fixed monthly salary of the workers to the Ministry of Manpower, ensure they have proper housing and provide medical insurance - amongst other requirements.



Littlebrook Substation, Kent

# Our supply chain

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

**We are clear that we will only work with organisations that share our Values and 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. We 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

Our UK spend has been reviewed against the prevalence of modern slavery score provided by the Global Slavery Index. In 2022, 97.26% of our UK spend was with companies registered in the UK. According to the prevalence of modern slavery scores 99.7% of spend is in the lowest risk of modern slavery, 0.1% of spend is in the medium risk and 0.04% of spend is in the highest risk countries.

The top five countries in our spend data with the largest estimated absolute numbers of people in modern slavery are Ukraine, Turkey, the Philippines, Greece and Thailand. This accounts for 0.17% of our spend data.

To address the high-risk countries identified in the Modern Slavery Index, we have implemented a Group-wide strategy that emphasises consistent supplier vetting and pre-qualification. This strategy is managed by our Group procurement team, based in the UK.

## US

In the last statement, we committed to develop a procurement strategy to evaluate our US supply chain partners and to emphasise the importance of adherence to the highest standards of ethical behaviour. During 2022, we released new Business Partner Standards, in conjunction with our Code of Ethics, to set expectations required of anyone working with us or on or behalf of us, including operating in a manner that respects and upholds human rights. As we progress through 2023, we are undertaking a compliance risk assessment process throughout our US operations. This among other things, will determine the extent of modern slavery risk in our operations and supply chain and evaluate the controls currently in place to address those risks. This will inform future enhancements to the compliance programme and procurement strategy intended to combat supply chain risks.

## Hong Kong

Gammon's supply chain partners are located in 50 geographies. The spend is reviewed against the prevalence of modern slavery score provided by the Global Slavery Index. 83.2% of spend is in the lowest risk countries for modern slavery risk, 15.7% of spend is in the medium risk countries and 1.1% is in high-risk countries. These high-risk countries were mainly the Philippines, Greece and Thailand. Purchases from these three high-risk countries are mainly steel products, equipment and sanitary ware and they are all from reputable suppliers of these categories.

### Number of supply chain partners



7,585



11,343



1,106

# Policies in relation to slavery and human tracking

**Wherever we work in the world we ensure that we do not exploit anyone. We uphold the rights of all those who work for or with us and of the communities in which we operate.**

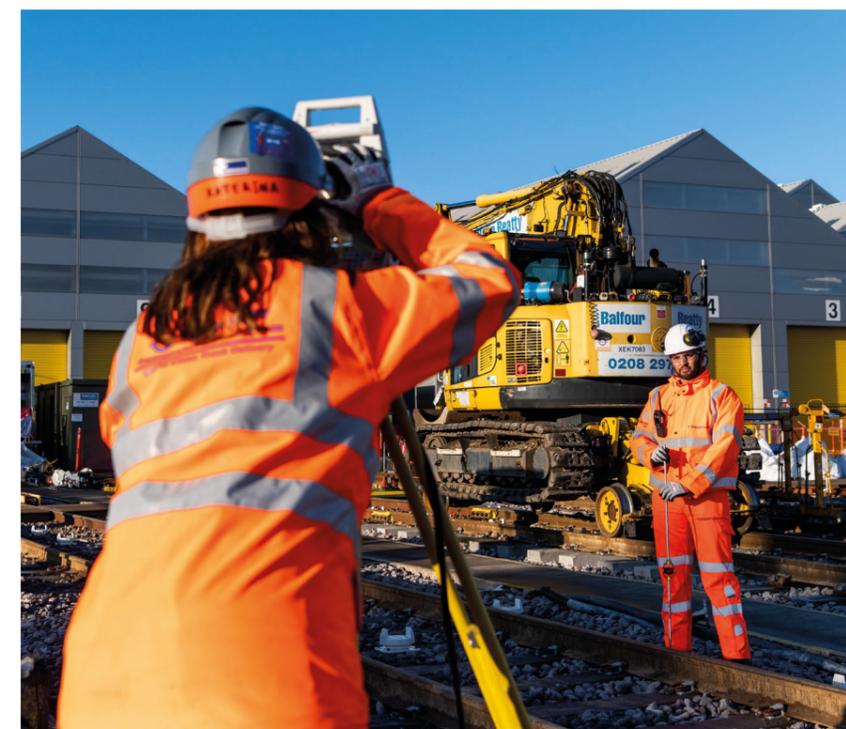
**Balfour Beatty adheres to a comprehensive suite of policies and standards which are regularly reviewed. These policies and standards reflect the UN Universal Declaration of Human Rights and require compliance with internationally recognised requirements for workers' welfare and conditions of employment. The policies are built into our procurement processes and contracts, which require that our supply chain partners agree to commit and comply with them. The key policies and standards are summarised opposite:**

## Code of Ethics

Balfour Beatty recognises that an ethical culture is a fundamental requirement for a successful, sustainable business. To strengthen our approach, in 2022 we evolved our rules-based Code of Conduct into a principles-led Code of Ethics: a framework providing clear direction on the standards, values and expectations that guide the behaviours of all our employees and supply chain partners. Underpinned by the Values and Behaviours set out in our Cultural Framework, the Code of Ethics sets out clearly the principles that should guide us in our everyday decision making to ensure that we all do the right thing. It is there to support us all in the decisions we make, empowering us to hold each other accountable and challenge when we feel our standards are being undermined or our reputation put at risk.

The Code applies everywhere, every day to everyone who works with and for us, including our supply chain partners. It tells others what they can expect of and from us – the standards we set ourselves in being “Trusted” and how we ensure that our decisions and actions are consistent with our Values. The Code empowers employees and supply chain partners to do the right thing; from prioritising health, safety and wellbeing, to standing against bribery and corruption, supporting human rights, and fostering inclusion and respect. In our 2022 employee engagement survey, 96% of responders in the UK and US confirmed that they were familiar with the new Code of Ethics following a multi-channel communication campaign and learning programme.

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



Ealing Common Depot track renewal, London

### Speak Up policy

Speak Up is our independently managed ethics helpline available to employees and any third parties to confidentially report concerns over any unethical, dishonest or illegal conduct. We are committed to ensuring that those working with us and for us have the autonomy to flag potential incidents, making it safe and easy for them to voice concerns, and to embed a culture where everyone feels confident raising concerns without fear of retaliation. Details of the helpline are widely publicised across our sites and offices, enabling people to report concerns over modern slavery or other potentially unethical behaviour. In 2022, we noticed a rise in the number of cases reported through the helpline, with a 42% increase from the previous year. This is a positive trend attributable in part to the launch of the new Code with improved employee awareness of doing the right thing and the importance of speaking up.

### Recruitment policy

We conduct checks on all prospective employees to verify that they are eligible to work in the UK.

### Sustainable procurement policy

Our Sustainable Procurement Policy, Supplier Sustainability Conditions and Modern Slavery and Labour Exploitation Guidance for Suppliers outline the principles and standards we expect our supply chain partners to abide by. More information about these documents is provided in the 'Our supply chains' section of this statement.

Our Sustainability Policy outlines how we will deliver the ambitions in our Sustainability Strategy, Building New Futures. This includes reducing the risk of modern slavery in our business and supply chain, by raising awareness with our employees and supply chain partners through training courses, toolbox talks, workshops, and other formal and informal communication methods.

### Supply chain standards

**UK Supplier Standards:** We want to do business with partners whose standards are consistent with our own, and who respect our Values. We expect all our supply chain partners to adopt clear commitments on ethical business consistent with those in our Code of Ethics and to always act with integrity. Any partner operating on Balfour Beatty's behalf must ensure that their actions comply with our Values, Code, policies and Supplier Standards. Contracts with supply chain partners include a contractual commitment to comply with the Code and Supplier Standards and to cooperate in implementing modern slavery audits and training for employees.

**The US Business Partner Standards:** Their purpose is to help our business partners understand the standards and behaviours that we expect from them and how they can assist us in leaving a positive legacy. The standards are used in conjunction with our Code of Ethics with a comprehensive set of overarching principles that define our expectations for everyone who works with and for us.

Our policies can be found in the Policies section of the Balfour Beatty website: [www.balfourbeatty.com/policies](http://www.balfourbeatty.com/policies)



Central Kowloon Route - Kai Tak West Section, Hong Kong

# Due diligence processes

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

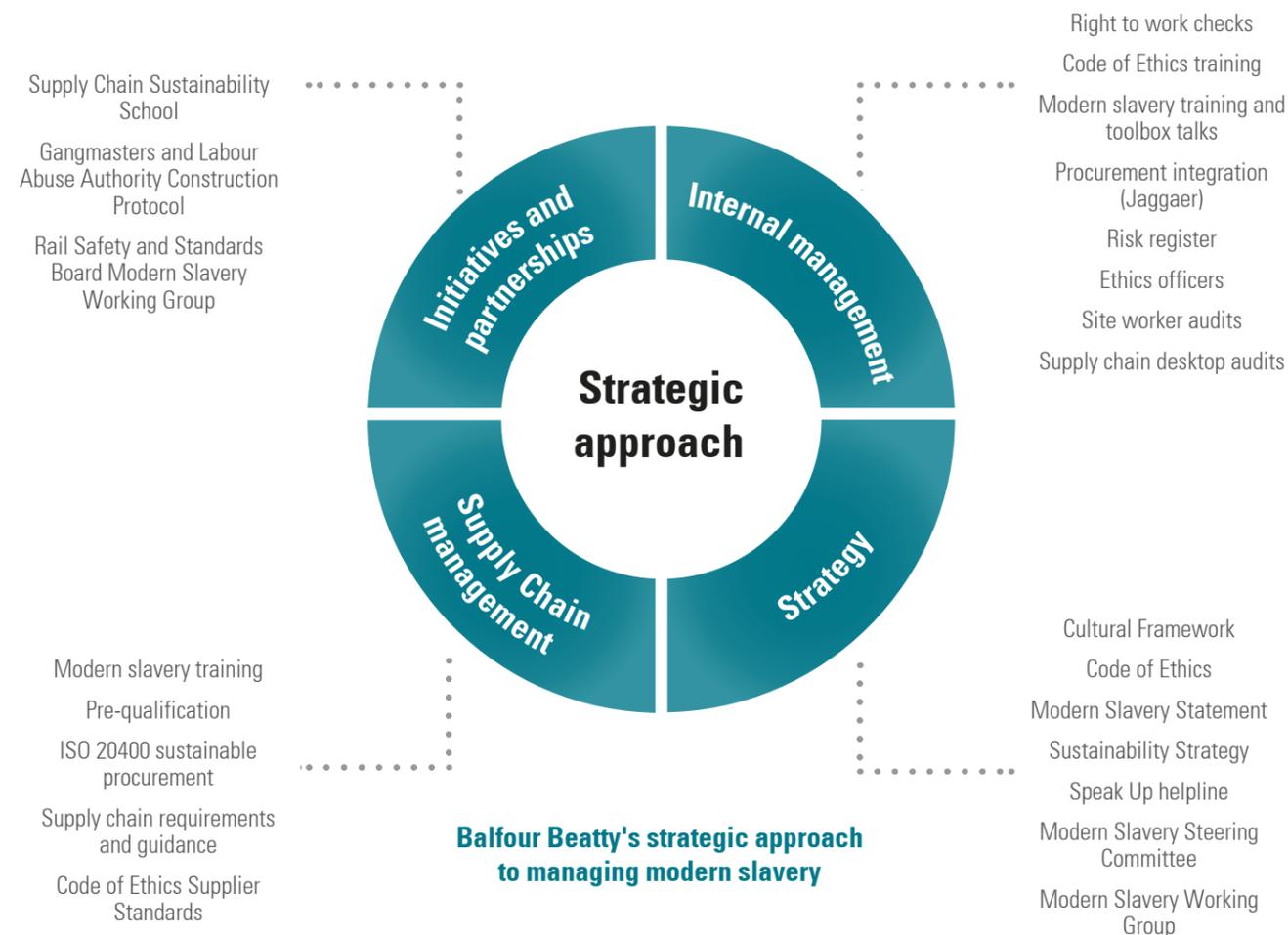
### Our strategic approach to tackling modern slavery

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

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

### Onboarding of supply chain

We require our UK supply chain partners to go through a pre-qualification process managed by Constructionline, through their platform. The process validates supply chain partners against PAS91 criteria, a standardised pre-qualification questionnaire developed by the British Standards Institute (BSI).



**Contractual**

As part of the onboarding process for supply chain partners, there is an assessment of forced labour and modern slavery risk.

Several measures are taken to address modern slavery within our supply chain contracts, including mandating first-tier suppliers to incorporate modern slavery standards in their own supply chains. Other measures include:

- > Actively participating in multi-stakeholder collaborations and industry initiatives that aim to combat modern slavery.
- > Monitoring suppliers to identify any potential slavery-related issues and working closely with them to improve their labour rights practices.
- > Engaging with workers in the supply chain through various mechanisms, such as conducting site visits and worker interviews, as part of the monitoring process.

Our approach to managing relationships with our supply chain partners involves taking into account the contract structure. To ensure that all parties involved are encouraged to proactively address this issue, we incorporate applicable contract terms, collaborative models, and/or Key Performance Indicators (KPI) collection. Additionally, we utilise contractual audit clauses to facilitate supply chain audits to provide reassurance that modern slavery is being effectively addressed.

As part of our ongoing commitment to combatting modern slavery within our business and supply chain, we utilise various mechanisms to ensure that our modern slavery programme is effectively addressing the risks in our business and supply chains. For example, we conduct site visits and walkthroughs, which provide us with the opportunity to engage with employees, supply

chain partners, and contractors, and raise awareness of the risks associated with modern slavery, as well as how to identify and report it.

**Supplier modern slavery statements**

Balfour Beatty has pledged that by 2025, all of our supply chain partners, regardless of their turnover, will be required to provide a modern slavery statement as part of their pre-qualification process. This commitment has been reinforced after taking action based on the 2022 audit, which involved a review of the supplier verification process questionnaire in order to enhance modern slavery checks during pre-qualification. As a result, the pre-qualification process will incorporate more modern slavery assessments and safeguards.

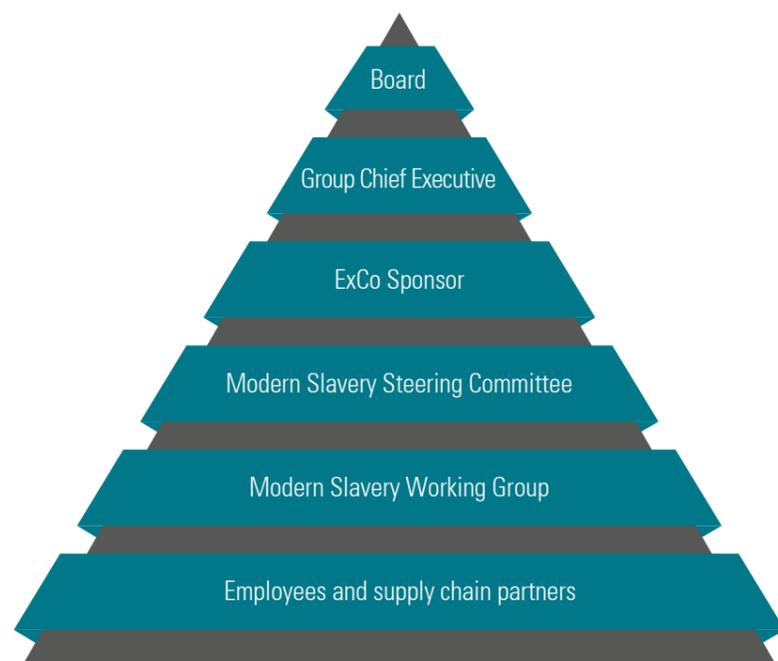
**Governance and risk**

At Balfour Beatty, we recognise that good governance is essential to ensure modern slavery is effectively addressed.

Our Group Chief Executive and the Balfour Beatty plc Board have ultimate responsibility for our response to modern slavery.

The Board has established procedures to manage risk and oversee the internal control framework. It undertakes a full assessment of the emerging and principal risks biannually, and considers the effectiveness of the risk management and internal control systems including financial, operational and compliance steps that are in place to prevent occurrence. 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, Intelligent Risk Information System (IRIS).

Acknowledging the significance of managing modern slavery, a Modern Slavery Steering Committee was established in October 2022. The committee is responsible for overseeing the expansion of the Modern Slavery Working Group and the programme of activities that address Group risks. It comprises senior representatives from various business functions providing overall oversight and governance of modern slavery risks.



**Balfour Beatty's modern slavery governance structure**



Queen Street Station Redevelopment, Glasgow

# 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.**

**Preventative approaches**

**External Group risk assessment**

As a Group, we are currently conducting comprehensive ethics and compliance risk assessments, with a particular focus on key risk areas for our business, including modern slavery. We are collaborating with an external provider to evaluate our ethics and compliance programme to measure its maturity and help us target future efforts and campaigns on the right areas.

**UK HR processes**

- > **Onboarding processes:** In addition to the right to work checks undertaken for new employees, we also check the bank details supplied by employees to ensure they will be receiving monies directly into their bank account. This can include a joint bank account.

- > **Working with employers, trade associations and trade unions:** We seek to ensure our recruitment and employment practices are constantly reviewed and aligned with national standards and best practice. These relationships are managed via a combination of continuous informal communication and regular structured meetings. This enables issues to be identified and resolved at the earliest opportunity by working collaboratively to achieve the best outcomes. We also align to 11 national agreements.
- > **Employee engagement:** Balfour Beatty actively encourages employee feedback via a multi-faceted approach. This includes an annual employee engagement survey, promotion of our Speak Up ethics helpline and Observation App, as well as via employee forums and regular leadership tours on project sites.



Eleclink Interconnector project, Kent

### Internal audit

During 2022 we conducted an internal audit on our modern slavery systems and processes to check they were sufficiently robust. This included reviewing the supply chain and conducting assurance on procurement processes. The audit flagged some areas for improvement in these processes. It also identified that supply chain partners did not always have the appropriate modern slavery controls embedded in their HR and payroll processes.

The findings have led to the identification of several actions, which will be addressed by the Modern Slavery Working Group as part of their key responsibilities to collaborate with the business in resolving audit action points and ensure they are effectively addressed. These include:

- > Development of modern slavery communications and guidance for the supply chain.
- > Raising awareness with project teams to conduct further due diligence with higher risk supply chain partners.
- > Reviewing options for tools to communicate with third-party workers about their rights at work.
- > Enhancing our procurement due diligence checks over our supply chain partners.

### Worker audits

Over the past year we have worked with our external auditors to conduct worker audits and verify that our business and supply chains adhere to modern slavery compliance standards. Whenever issues that fall below our expectations and legal requirements are brought to our attention, we work together with our supply chain partners to address them in a timely and effective manner.

### Risk landscape

During 2022 we undertook an exercise to update our UK Sustainable Procurement heatmap. The heatmap reflects 13 areas of sustainability including ethical sourcing and Modern Slavery UK, see detail on page 16. This reflects the two key risks of modern slavery in our supply chain, firstly from supply chain partners which are located in, or sourcing from, high-risk countries with potential issues for transparency, bribery and corruption and labour abuse. The second area of risk reflects UK labour risks, where there is potential for workers to be exploited either via subcontractor or agency labour arrangements, or workers in the UK supply chains where our products are made.

The review of the heatmap involved key internal stakeholders from the sustainability and procurement functions, with 36 involved in the consultation. We then engaged 42 key supply chain partners to receive their feedback on different spend categories. The heatmap was also reviewed by Action Sustainability to provide guidance from an industry expert point of view.

The results of the heatmap help us to identify where there is a high, medium or low risk or opportunity based on the category of spend. The heatmap is the basis of the methodology for our Sustainable Procurement tender questions, and we are working with the Supply Chain Sustainability School to update these in 2023.

During 2022 we updated our Sustainable Procurement Policy and our Supplier Sustainability Conditions. As part of this update, we reviewed changes in the risk profile for key products that we purchase. Due to the evidence of human rights abuses in Xinjiang Province, China we insist 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. For the first time we have included a section on solar photovoltaic products. We have also refreshed the stone certification requirements.

### Communication and awareness raising materials

We are continuing with our efforts to evolve our sites and other workplace areas to ensure modern slavery cannot survive. This includes ensuring that those who work for us and with us are aware of modern slavery issues and how to take action, and how we highlight to those who may be victims of modern slavery ways to access assistance.

For employees with a Balfour Beatty email address, our policies, guidance, and training tools are available on our internal SharePoint intranet. For those that do not have a Balfour Beatty email address, and for many of our employees and subcontracted workers who are based on sites, communal areas within our site offices are used to display essential information for employees, including our policies, in a range of easily digestible, eye-catching formats. Each week, important notification posters are sent out to sites to highlight issues of key importance, including modern slavery.

Our Modern Slavery Working Group recognised the need for an improved communication plan regarding modern slavery in 2021. To enhance engagement and accessibility, we aimed to leverage digital communication channels while ensuring that printed materials are available in safe spaces. As part of our 2022 deliverables, we distributed posters on-site to disseminate critical information. In line with this goal, we refreshed our bespoke posters regularly and placed them in 'safe spaces', such as toilet cubicles to increase visibility and engagement.

### Site-specific communications

Site-specific communication on modern slavery is an essential component of an effective modern slavery prevention strategy. We continue to disseminate information and raise awareness about modern slavery risks and how to identify and report them to all employees and contractors working on a particular site. Such communication takes many forms, including site-specific training, posters, and on our site TVs. This continues to help reinforce Balfour Beatty's commitment to preventing modern slavery and sends a clear message that it will not be tolerated within our operations or supply chain.

### Supply chain communications

Engaging in communication with our supply chain partners about modern slavery continues to be essential to ensure that all stakeholders are aware of the risks and take appropriate measures to prevent and address them. When engaging with our supply chain partners, we prioritise the following:

- > Emphasising our commitment to combatting modern slavery and the importance of collaborative efforts to mitigate risks.
- > Providing education and training to increase awareness of modern slavery risks and equip partners with the tools necessary to identify and report instances of exploitation.

By emphasising these points, we aim to foster an open and honest dialogue with our supply chain partners, encourage their engagement in addressing modern slavery, and promote a culture of accountability and responsibility in our supply chain management.

City Centre West East Link Active Travel, Edinburgh



# Management of supply chain risks

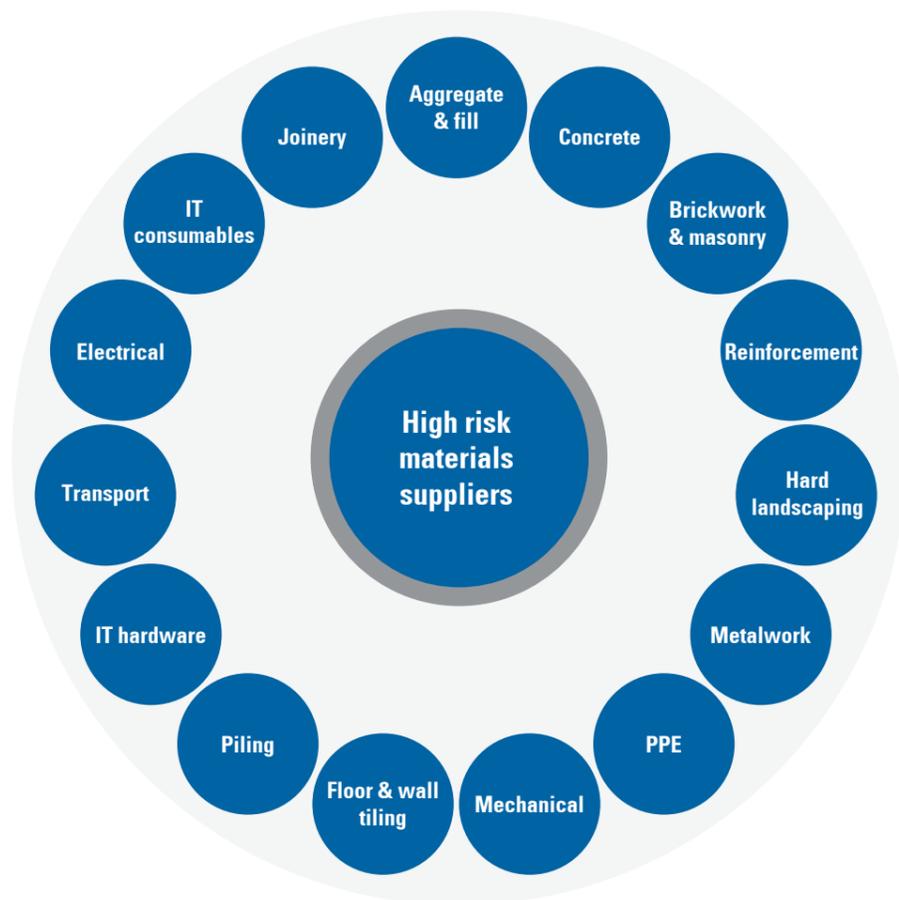
## Preventative approaches

### Materials suppliers

Based on our revised UK heatmap, there are two key risk criteria for modern slavery:

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

Materials supplier categories identified as high risk for ethical sourcing are shown in the graphic to the right.



### Recruitment companies

Recruiting through third-party companies poses a risk of modern slavery, but we take steps to mitigate this risk. Our approach includes:

- > Conducting comprehensive due diligence to confirm that our recruitment partners do not engage in modern slavery practices.

- > Including clauses in our contracts with recruitment companies that explicitly prohibit any involvement in modern slavery or related practices.
- > Regularly monitoring the recruitment practices of our third-party partners to ensure they are not engaging in any practices related to modern slavery.

- > Providing training to our team members on the risks of modern slavery and how to identify and report any potential instances of it.
- > Maintaining transparency in our supply chain by sharing our modern slavery statement and procedures related to modern slavery to identify and address any potential risks.

### Subcontractors providing labour

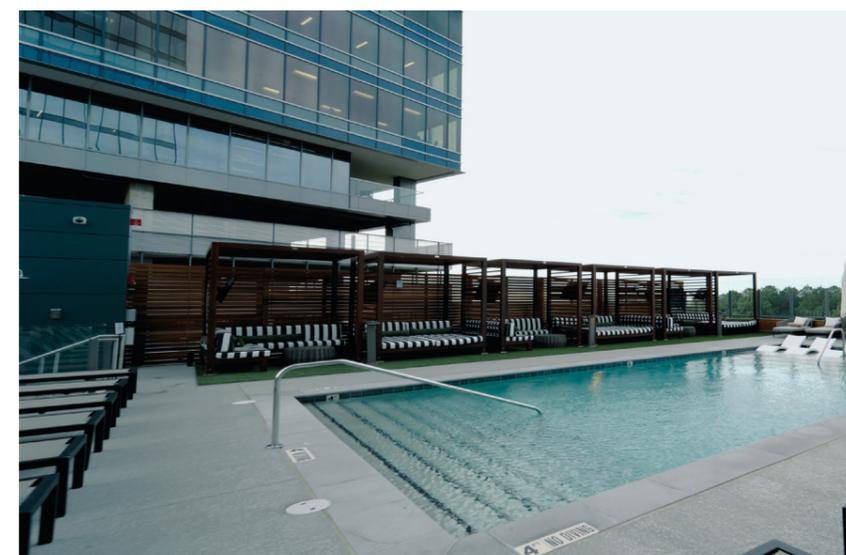
UK subcontractors are expected to undertake checks on all worker documentation, including:

- > Right to work checks which includes verifying the documents are genuine, original and unchanged and belong to the worker.
- > The period during which the worker has a right to work in the UK has not expired.
- > Photos are the same across all documents and look like the worker.
- > Dates of birth are the same across all documents.
- > If two documents give different names, the worker has supporting documents showing why they are different, e.g. a marriage certificate or divorce decree.
- > The worker is in possession of their legal documents (passport, identification and their own bank account details).
- > An in-person check is carried out to verify that the worker is the person pictured in any identity documents provided, a copy of the documents is taken, and they are then signed and dated to record that the in-person check has taken place.
- > For non-British and Irish passport holders, a current home office right to work certificate is held by the employer and has been validated.

In the UK, all workers should have a written contract of employment and be able to confirm that they have not had to pay any direct or indirect fees to obtain work. They should be paid at least the legal minimum wage and not have wages deducted for accommodation, or food, or to repay any supposed debt. Workers should be informed of their statutory rights including sick pay, holiday pay and any other benefits they may be entitled to. Additionally, their working hours should be monitored.

| Subcontract categories identified as high risk for Modern Slavery UK: |                          |
|-----------------------------------------------------------------------|--------------------------|
| Groundworks                                                           | Steelwork                |
| Demolition                                                            | Ground maintenance       |
| Hard landscaping                                                      | Catering                 |
| Waste management                                                      | Lifting equipment        |
| Surfacing                                                             | Painting & decorating    |
| Brickwork & masonry                                                   | Roofing                  |
| Joinery                                                               | Storage                  |
| Pipes & drainage                                                      | Traffic management       |
| Reinforced earth                                                      | Fire & security          |
| Reinforcement                                                         | Fitout                   |
| Lining & partitioning                                                 | Office Services          |
| Metalwork                                                             | Security                 |
| Window & glazing                                                      | Hospital & lab equipment |
| Water & plumbing                                                      | Sealants & fixings       |
| HVAC                                                                  | Signage                  |
| Fencing                                                               | Cleaning                 |
| Floor & wall tiling                                                   | Fire                     |
| Flooring                                                              | Survey & testing         |
| Lighting                                                              | Doors                    |
| Offsite prefab                                                        | Access equipment         |
| Plastering & screeding                                                | Labour                   |
| Extruded channel                                                      | Temporary staff          |
| Transport                                                             | Utilities                |
| Cladding & roofing                                                    |                          |
| Services identified as high risk for Modern Slavery UK                |                          |
| Cleaning                                                              | Temporary staff          |

The Eastern, North Carolina, US



# Modern Slavery Working Group

Balfour Beatty's strategy for combatting modern slavery is underpinned by the Modern Slavery Working Group. The purpose of the group is to develop and management implementation of Balfour Beatty's approach to mitigating and managing modern slavery risk across our business and supply chain, and to support the operationalisation of new systems, methods, communications and training to mitigation such risks.

Reporting to the Modern Slavery Steering Committee, during 2022 the group's membership was expanded to include representatives from each of our Strategic Business Units and Enabling Functions. This expansion will enable the group to carry out more comprehensive risk mapping exercises, understand the challenges faced by each Business Unit and develop tailored approaches to address them. In 2023 membership of the group will be expanded to add further operational leadership.

# Supply chain risks

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

The International Labour Organization (ILO) has identified the primary labour risks as excessive working hours, payment of recruitment fees, illegal

retention of passports, and, in some cases, failure to provide minimum wage payments. To minimise these risks within our supply chain, we collaborate closely with our partners to share best practices and ensure that our ethical Values are embedded throughout our entire supply chain.

We have been working to address modern slavery risks within our supply chain by pledging that by 2025, all of our supply chain partners, regardless of their turnover, will be required to provide a modern slavery statement as part of their pre-qualification

process. The drive will help with our continuous improvement, reviewing corrective action plans and re-auditing as necessary. Whilst this remains an area with more work to be done, we're pleased with the improvements made in this challenging year. We expect our supply chain partners to adhere to the same high ethical standards that we uphold, and we work diligently to ensure that all parties involved in our operations are aware of and committed to mitigating the risks of modern slavery.

# Measuring effectiveness and next steps

In 2022, our efforts were focused on assessing the effectiveness of our modern slavery programme and identifying areas for improvement. As part of this process, we conducted a self-reflection on our Key Performance

Indicators (KPIs) to evaluate their effectiveness in measuring our programme's success. As a result we have decided to re-examine our KPIs during 2023 to ensure they appropriately measure the effectiveness of the steps

taken to minimise modern slavery risks, and inform future actions. Performance against our current KPIs is set out in the table below:

| Modern Slavery Key Performance Indicators |                                                                                                                                   |                                                                        |                                                                                                                                                                                                                                                                                              |
|-------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Focus area                                | Objective                                                                                                                         | Indicator                                                              | Achievements                                                                                                                                                                                                                                                                                 |
| Modern slavery audits                     | Conduct labour exploitation and modern slavery audits.                                                                            | Number of audits completed<br>Number of closed actions from the audit. | In 2022, a total of six audits were carried out by an external auditor, and a further nine audits by Balfour Beatty's internal audit team. Several improvements were recommended and these are being implemented across our operations with the support of the Modern Slavery Working Group. |
| Supply chain governance                   | Requirement for supply chain partners in the UK to have a modern slavery statement or equivalent by 2025, regardless of turnover. | % of supply chain partners in the UK with statement.                   | As of March 2023, of the UK suppliers onboarded by Balfour Beatty through Constructionline, 66% of these have a modern slavery statement regardless of turnover.                                                                                                                             |
| Workers induction checks                  | Roll out workers induction checks.                                                                                                | Number of sites using checks.                                          | While we currently check all our employees, work is ongoing to extend induction checks to workers of supply chain partners. A pilot project is underway and, if successful, plans will be made to implement the project across the wider business.                                           |



Littlebrook Substation, Kent

# Training and capacity building

Our colleagues and our supply chain partners play a major role in helping us to identify and prevent modern slavery in our supply chain. There are parts of our business where an in-depth knowledge of modern slavery issues is required, for example our procurement and HR teams and construction site managers. These higher risk areas of our business will continue to receive tailored training that address the risks of modern slavery to build the awareness required in spotting the signs.

In order to enhance awareness of modern slavery among our workforce, we specifically included training on this issue as part of the Code of Ethics launch. This launch was rolled out to all employees across Balfour Beatty in September 2022 and was successfully completed by 95% of in-scope employees, demonstrating a high level of engagement with our Values and commitment to upholding them. By delivering this training, we aim to ensure that all our employees are equipped with the knowledge and understanding necessary to prevent and combat modern slavery in all its forms.

For operatives, a toolbox talk on the new Code was created and cascaded by line managers and supervisors down to project sites. A poster campaign on modern slavery, as well as the new Code, was developed and deployed for project sites. To ensure an ongoing level of awareness, Code of Ethics and modern slavery awareness has also been built into health and safety training which is a mandatory requirement for all new operatives.

During 2022, Balfour Beatty's Ethics Officer programme was also re-launched across the UK with Ethics Officers nominated by senior leadership and appointed to represent each Business Unit and Enabling Function. The role of an Ethics Officer is to champion the ethical Values of Balfour Beatty, support all employees in doing the right thing and to live up to the ethical standards expected of them. As well as helping raise awareness of ethics and compliance issues within their area of the business, their role is to influence employee behaviour and workplace culture and help embed ethical decision-making in day-to-day business practice. The onboarding process for Ethics Officers to support them in their role included specific training on modern slavery and what to do if they suspect a case of modern slavery.

During 2023 (Q3), we will be working with our procurement team to equip them with the skills to conduct modern slavery checks with supply chain partners. These checks will be conducted at the suppliers' offices or manufacturing sites. The team will be supported by our in-house audit team to ensure these checks are conducted effectively and follow-up occurs where any issues are flagged.

During a five-day communications campaign in November 2022, we shared with the business the key highlights of the International Day for the Abolition of Slavery. The campaign aimed to raise awareness about modern slavery risks and encourage actions we can take both within and outside of work to combat these risks.



Victorian Temperate Palm House  
Restoration, Royal Botanic  
Garden, Edinburgh

## Modern slavery concerns raised in 2022

Balfour Beatty takes all allegations of unethical behaviour and potential incidences of modern slavery extremely seriously, and encourages reporting of concerns through Speak Up, our ethics helpline.

In 2022, one alleged concern in relation to modern slavery was reported following an audit on an indirect member of our supply chain based in the UK. This was raised directly with the Gangmaster and Labour Abuse Authority (GLAA) and followed up by our Ethics team directly with senior management of the supply chain partner who cooperated in responding to the concerns raised.

## Collaborative action

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

### 2022 External validation / collaboration with industry and academia:

**Liverpool University:** We are collaborating with Liverpool University and Crown Commercial Services (CCS), the Chartered Institute of Procurement and Supply, the International Slavery Museum and the Royal Melbourne Institute of Technology (RMIT). Research to understand how a manager perceives and reacts to the requirements of modern slavery in and outside work.

**Bright Future:** We are proud to be collaborating on this scheme offering survivors of modern slavery a pathway to paid employment. We have several earmarked roles for survivors of modern slavery working within our business and have also been part of the committee turning Project Bright Future into Bright Future (Cooperative) Limited. Due to the sensitivity that is required in placing modern slavery survivors into paid employment the process is slow in making sure the job and the manager are the right fit. However, we continue to be committed to placing more candidates when possible.

**Business Services Association (BSA):** We have supported the work of the BSA Modern Slavery Council Steering Committee, contributing to the development of a toolkit that can be used by construction and facilities management businesses to build their modern slavery programmes.

**Independent Anti-Slavery Commissioner:** We have supported the research for a report on modern slavery in the construction industry instigated by the Independent Anti-Slavery Commissioner Dame Sara Thornton.

**Supply Chain Sustainability School:** The Supply Chain Sustainability School provides resources and training for the construction supply chain at no cost to them. The aim is to upskill and spread best practice across the industry. Balfour Beatty is a partner and Gold member of the Supply Chain Sustainability School and is also represented on its Board. As part of this partnership, we support with arranging and delivering workshops to the supply chain outlining the risks to our business, mitigation methodology, our supply chain heatmapping approach, governance and procedures and top tips. During 2022, our colleagues also accessed over 14,000 resources on the Supply Chain Sustainability School website to improve their sustainability knowledge. In 2022, a modern slavery working group was established to work collaboratively and develop guidance on how to effectively address modern slavery risks within the business and supply chain.

**Rail Safety and Standards Board (RSSB):** We participate as a member of the modern slavery working group. A Balfour Beatty Supply Chain Manager chairs the RSSB modern slavery working group. This is a cross company, multi-discipline group that works to share best practice on how to mitigate modern slavery risks and to raise awareness within the industry. This group is supported by the RSSB who also attends the meetings.

**Modern Slavery Assessment Tool score (MSAT):** As a strategic supplier to the UK Government, Balfour Beatty commits to completing the Modern Slavery Assessment Tool annually. The tool is designed to help us work in partnership with our public sector customers to improve protections and reduce the risk of exploitation of workers in our supply chain. In 2022, Balfour Beatty scored 91%, an increase of 5% from the 2021 score of 86%.

## Looking ahead – next steps in mitigating modern slavery risks 2023 - 2024

- > Support and enable Balfour Beatty's procurement team to undertake 24 modern slavery and labour exploitation supply chain audits across UK operations, reviewing findings and developing and implementing an action plan in response.
- > Review the operation and effectiveness of our modern slavery Key Performance Indicators and refine these as needed to ensure they are operating effectively to improve our management of modern slavery risks.
- > Pilot improved subcontractor onboarding processes to ensure subcontractor operatives are provided with modern slavery awareness training and right to work checks are completed before commencing work on site.
- > Review third party recruitment strategy with business operations to identify solutions for streamlining the Group's approach, to ensure greater transparency in pay practices whilst mitigating modern slavery risks.
- > Develop and implement a more targeted approach to modern slavery training and awareness to include an initial module for roll out to employees involved in the recruiting and onboarding of our workforce and supply chain.
- > Continue partnering efforts with Bright Future to support up to five survivors of modern slavery back into the workplace, through a role at Balfour Beatty.
- > Development and roll out of the 2023 Modern Slavery Communications Plan.

Institute for Regeneration and Repair, Edinburgh



# Appendix 1: Balfour Beatty subsidiaries UK

## 43 Details of related undertakings of Balfour Beatty plc as at 31 December 2022

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 2022 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 2022 and are wholly owned and consolidated into the Group's results, except where indicated.

Subsidiary undertakings incorporated in the United Kingdom

| Entity                                                                     | Principal activity                |
|----------------------------------------------------------------------------|-----------------------------------|
| <b>Q14 Quorum Business Park, Benton Lane, Newcastle upon Tyne NE12 8BU</b> |                                   |
| Aberystwyth Student Accommodation Ltd                                      | Infrastructure Concession         |
| Balfour Beatty Infrastructure Investments Ltd <sup>(i)</sup>               | Investment Holding Company        |
| Balfour Beatty Infrastructure Partners Member Ltd                          | Investment Holding Company        |
| 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                                                 | Investment Holding Company        |
| BBPF LLP <sup>(iii)</sup>                                                  | 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 Residences Facilities Management Ltd                            | Infrastructure Concession         |
| East Slope Residences Holdings Ltd                                         | Investment Holding Company        |
| East Slope Residences Partner Ltd                                          | Infrastructure Concession         |
| East Slope Residences plc <sup>(ii)</sup>                                  | Infrastructure Concession         |
| East Slope Residences Student Accommodation LLP <sup>(iii)</sup>           | 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        |
| West Stratford Developments Ltd <sup>(iv)</sup>                            | Investment Holding Company        |
| <b>5 Churchill Place, Canary Wharf, London E14 5HU</b>                     |                                   |
| Avatar Ltd                                                                 | Dormant                           |
| Balfour Beatty Build Ltd                                                   | Agent of Balfour Beatty Group Ltd |
| Balfour Beatty Building Ltd                                                | Agent of Balfour Beatty Group Ltd |

| Entity                                                | Principal activity                |
|-------------------------------------------------------|-----------------------------------|
| 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 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 <sup>(i)</sup> | 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 <sup>(i)</sup>            | 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                  |
| 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 <sup>(i)</sup>                              | Nominee Company                   |

## 43 Details of related undertakings of Balfour Beatty plc as at 31 December 2022 continued

### Subsidiary undertakings incorporated in the United Kingdom

| Entity                                                                                           | Principal activity                |
|--------------------------------------------------------------------------------------------------|-----------------------------------|
| BPH Equipment Ltd                                                                                | Agent of Balfour Beatty Group Ltd |
| Cowlin Group Ltd                                                                                 | Dormant                           |
| Devonshire House Dormant Three Limited                                                           | Dormant                           |
| Guinea Investments Ltd                                                                           | Investment Holding Company        |
| Haden Building Services Ltd                                                                      | Dormant                           |
| Haden Young Ltd <sup>(i)</sup>                                                                   | Dormant                           |
| Hall & Tawse Western Ltd                                                                         | Dormant                           |
| Laser Rail Ltd                                                                                   | Agent of Balfour Beatty Group Ltd |
| Lounsdale Electric Ltd                                                                           | Dormant                           |
| Manring Homes Ltd <sup>(i)</sup>                                                                 | Property Investment               |
| Multibuild (Construction & Interiors) Ltd                                                        | Agent of Balfour Beatty Group Ltd |
| Office Projects (Interiors) Ltd                                                                  | Agent of Balfour Beatty Group Ltd |
| Omnicom Engineering Ltd                                                                          | Dormant                           |
| Raynesway Construction Ltd                                                                       | Agent of Balfour Beatty Group Ltd |
| Strata Construction Ltd                                                                          | Dormant                           |
| <b>Hereford Steel Works, Holmer Road, Hereford HR4 9SW</b>                                       |                                   |
| Painter Brothers Ltd                                                                             | Agent of Balfour Beatty Group Ltd |
| <b>Kings Business Park, Kings Drive, Prescot, Merseyside L34 1PJ</b>                             |                                   |
| Balfour Beatty Pension Trust Ltd <sup>(i)</sup>                                                  | Pension Fund Trustee              |
| <b>C/O Mc Griggors LLP, Arnott House, 12-16 Bridge Street, Belfast BT1 1LS, Northern Ireland</b> |                                   |
| Balfour Kilpatrick Northern Ireland Ltd                                                          | Dormant                           |
| <b>The Curve Building, Axis Business Park, Hurricane Way, Langley, Berkshire SL3 8AG</b>         |                                   |
| 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 |
| <b>Maxim 7, Maxim Office Park, Parklands Avenue, Eurocentral, Holytown ML1 4WQ</b>               |                                   |
| 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 Limited                                                                | 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 <sup>(iii)</sup>                                                                        | Investment Partnership            |
| Glasgow Residences (Kennedy Street) Holdings Ltd                                                 | Investment Holding Company        |
| Glasgow Residences (Kennedy Street) LLP <sup>(iii)</sup>                                         | 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                          |
|----------------------------------------------------------------------------|---------------------------------------------|
| <b>Midmill Business Park, Tumulus Way, Kintore, Aberdeenshire AB51 0TG</b> |                                             |
| Balfour Beatty Engineering Services (CL) Ltd                               | Agent of Balfour Beatty Group Ltd           |
| <b>C/O Mazars, Tower Bridge House, St Katharine's Way, London E1W 1DD</b>  |                                             |
| Balfour Beatty Power Construction Ltd                                      | Dormant                                     |
| Birse Construction Ltd                                                     | Investment Holding Company – In Liquidation |
| Edgar Allen Engineering Ltd                                                | Dormant – In Liquidation                    |
| Mansell Maintenance Limited                                                | Dormant – In Liquidation                    |
| Mansell plc                                                                | Investment Holding Company – In Liquidation |
| <b>West Service Road, Raynesway, Derby DE21 7BG</b>                        |                                             |
| Balfour Beatty Plant & Fleet Services Ltd                                  | Agent of Balfour Beatty Group Ltd           |
| <b>C/O Mazars LLP, 100 Queen Street, Glasgow G1 3DN Scotland</b>           |                                             |
| Balfour Beatty Engineering Services (LEL) Ltd                              | Dormant – In Liquidation                    |
| <b>Lumina Building, 40 Ainslie Road, Hillington Park, Glasgow G52 4RU</b>  |                                             |
| Shaw-Petrie Limited                                                        | Dormant                                     |
| <b>42-44 Clarendon Road, Watford, Hertfordshire WD17 1DR</b>               |                                             |
| Barlow & Young, Limited                                                    | Dormant                                     |
| Haden International Ltd                                                    | Dormant                                     |
| <b>Fourth Floor, 130 Wilton Road, London SW1V 1LQ</b>                      |                                             |
| 00158345 Ltd                                                               | Dormant                                     |
| 01198171 Ltd                                                               | Dormant                                     |
| BICC Dormant One Limited                                                   | Dormant                                     |
| Devonshire House Dormant One Limited                                       | Dormant                                     |
| <b>Third Floor Devonshire House, Mayfair Place, London W1X 5FH</b>         |                                             |
| BICC Thermoheat Limited                                                    | Dormant                                     |

Notes

(i) Held directly by Balfour Beatty plc.

(ii) 80% owned.

(iii) Partnership interests held.

(iv) 31 March year end.

### Subsidiary undertakings incorporated outside the United Kingdom

| Entity                                                                                                | Principal activity                         |
|-------------------------------------------------------------------------------------------------------|--------------------------------------------|
| <b>Australia</b>                                                                                      |                                            |
| <b>Allens Corporate Services Pty Limited, Level 33, 101 Collins Street, Melbourne, Victoria, 3000</b> |                                            |
| Balfour Beatty Australian Limited                                                                     | Holding company Partnership <sup>(i)</sup> |
| <b>Allens, Level 5, Deutsche Bank Place, 126-130 Phillip Street NSW 2000, Australia</b>               |                                            |
| Balfour Beatty Australia Pty Ltd                                                                      | Construction & Support Services            |
| <b>Bahamas</b>                                                                                        |                                            |
| <b>The Alexander Corporate Group Limited, One Millars Court, P.O. Box N-7117, Nassau</b>              |                                            |
| Balfour Beatty Bahamas Ltd                                                                            | Dormant                                    |
| <b>Canada</b>                                                                                         |                                            |
| <b>Borden Ladner Gervais LLP, 22 Adelaide Street West, Suite 3400, Toronto, ON, M5H 4E3</b>           |                                            |
| BB Group Canada Inc                                                                                   | Investment Holding Company                 |

**43 Details of related undertakings of Balfour Beatty plc as at 31 December 2022** continued

**Subsidiary undertakings incorporated outside the United Kingdom** continued

| Entity                                                                                                                      | Principal activity                  |
|-----------------------------------------------------------------------------------------------------------------------------|-------------------------------------|
| <b>Taylor McCaffrey LLP, 900-400 St. Mary Avenue, Winnipeg, MB, R3C 4K5</b>                                                 |                                     |
| Balfour Beatty Communities GP, Inc                                                                                          | Infrastructure Investment           |
| Balfour Beatty Communities, LP <sup>(ii)</sup>                                                                              | Infrastructure Investment           |
| Balfour Beatty Construction, LP <sup>(ii)</sup>                                                                             | Construction Services               |
| Balfour Beatty Construction GP, Inc                                                                                         | Construction Services               |
| Balfour Beatty Investments GP, Inc                                                                                          | Infrastructure Investment           |
| Balfour Beatty Investments, LP <sup>(ii)</sup>                                                                              | Infrastructure Investment           |
| BB NIH GP, Inc                                                                                                              | Infrastructure Investment           |
| <b>Germany</b>                                                                                                              |                                     |
| <b>Garmischer Strasse 35, 81373 Munich</b>                                                                                  |                                     |
| Balfour Beatty Rail GmbH                                                                                                    | Construction Services, Dormant      |
| BICC Holdings GmbH                                                                                                          | Investment Holding Company, Dormant |
| Schreck-Mieves GmbH                                                                                                         | Dormant                             |
| <b>Hong Kong</b>                                                                                                            |                                     |
| <b>5/F, Manulife Place 348 Kwun Tong Road Kowloon Hong Kong</b>                                                             |                                     |
| Balfour Beatty Hong Kong Ltd                                                                                                | Construction & Support Services     |
| <b>India</b>                                                                                                                |                                     |
| <b>6th Floor, N-1 Balsa Block, Manyata Embassy Business Park, Nagavara, Rachenahalli Village, Bangalore – 560045, India</b> |                                     |
| Balfour Beatty Infrastructure India Pvt. Ltd                                                                                | Engineering Design Consultancy      |
| <b>Ireland</b>                                                                                                              |                                     |
| <b>City Junction Business Park, Northern Cross, Malahide Road, Dublin 17</b>                                                |                                     |
| Balfour Beatty Ireland Ltd                                                                                                  | Support Services                    |
| <b>Isle of Man</b>                                                                                                          |                                     |
| <b>Tower House, Loch Promenade, Douglas IM1 2LZ, Isle of Man</b>                                                            |                                     |
| Delphian Insurance Company Ltd <sup>(i)</sup>                                                                               | Insurance Company                   |
| <b>Jersey</b>                                                                                                               |                                     |
| <b>12 Castle Street, St. Helier, Jersey</b>                                                                                 |                                     |
| Balfour Beatty Employees Trustees Ltd <sup>(ii)</sup>                                                                       | Employee Trust                      |
| <b>Malaysia</b>                                                                                                             |                                     |
| <b>12th Floor, Menara symphony, No 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor</b>               |                                     |
| Balfour Beatty Rail Design International Sdn Bhd                                                                            | Support Services                    |
| <b>Netherlands</b>                                                                                                          |                                     |
| <b>Rapenburgerstraat 177/B, 1011 VM Amsterdam</b>                                                                           |                                     |
| Balfour Beatty Netherlands B.V.                                                                                             | Investment Holding Company          |
| <b>Romania</b>                                                                                                              |                                     |
| <b>23 General Ernest Brosteanu Street, 1st District, 010527, Bucharest</b>                                                  |                                     |
| S.C. Balfour Beatty Rail S.R.L.                                                                                             | Dormant - In Liquidation            |
| <b>Sri Lanka</b>                                                                                                            |                                     |
| <b>Phase 3 Investment Promotion Zone, Katunayake, Colombo, Western Province</b>                                             |                                     |
| Balfour Beatty Ceylon (Private) Ltd                                                                                         | Support Services                    |
| <b>Thailand</b>                                                                                                             |                                     |
| <b>9 Soi Santisuk, Sithisarn Road, Huay Kwang, Bangkok</b>                                                                  |                                     |
| Asia Trade Development Co Ltd                                                                                               | Dormant                             |
| Balfour Beatty Construction (Thailand) Co Ltd                                                                               | Dormant                             |
| Balfour Beatty Holdings (Thailand) Co Ltd                                                                                   | Dormant                             |
| Balfour Beatty Thai Ltd                                                                                                     | Dormant                             |
| Linwood Co Ltd                                                                                                              | Dormant                             |
| <b>United States</b>                                                                                                        |                                     |
| <b>1011 Centre Road, Suite 310, Wilmington DE 19805</b>                                                                     |                                     |
| Balfour Beatty Holdings Inc                                                                                                 | Investment Holding Company          |
| Balfour Beatty LLC                                                                                                          | Investment Holding Company          |

| Entity                                                                                 | Principal activity             |
|----------------------------------------------------------------------------------------|--------------------------------|
| <b>300 Galleria Parkway, Suite 2050, Atlanta, GA 30339</b>                             |                                |
| National Engineering & Contracting Company                                             | Construction Services          |
| Balfour Beatty Infrastructure, Inc                                                     | Construction Services          |
| <b>Corporation Service Company, 1127 Broadway Street NE, Suite 310, Salem OR 97301</b> |                                |
| Balfour Beatty Rock Springs, LLC                                                       | Construction Services          |
| <b>Corporation Service Company, 1703 Laurel Street, Columbia, SC 29201</b>             |                                |
| National Casualty and Assurance, Inc                                                   | Insurance Company              |
| <b>Corporation Service Company, 251 Little Falls Drive, Wilmington DE 19808</b>        |                                |
| Balfour Beatty Campus Solutions, LLC                                                   | Infrastructure Holding Company |
| Balfour Beatty Communities, LLC                                                        | Infrastructure Investment      |
| Balfour Beatty Construction D.C., LLC                                                  | Construction Services          |
| Balfour Beatty Construction, LLC                                                       | Construction Services          |
| Balfour Beatty Equipment, LLC                                                          | Construction Services          |
| Balfour Beatty Investments, Inc                                                        | Investment Company             |
| Balfour Beatty Management Inc                                                          | Business Services              |
| Balfour Beatty/Benham Military Communities LLC <sup>(iv)</sup>                         | Infrastructure Investment      |
| Balfour Beatty/PHELPS Military Communities LLC <sup>(iv)</sup>                         | Infrastructure Investment      |
| Balfour Beatty Military Housing Development LLC                                        | Infrastructure Investment      |
| Balfour Beatty Military Housing Investments LLC                                        | Investment Holding Company     |
| Balfour Beatty Military Housing Management LLC                                         | Infrastructure Investment      |
| Balfour Beatty – Worthgroup, LLC                                                       | Construction Services          |
| BBC AF Housing Construction LLC                                                        | Infrastructure Investment      |
| BBC AF Management/Development LLC                                                      | Infrastructure Investment      |
| BBC Independent Member I, Inc                                                          | Infrastructure Investment      |
| BBC Independent Member II, Inc                                                         | Infrastructure Investment      |
| BBC Military Housing – ACC Group, LLC                                                  | Infrastructure Investment      |
| BBC Military Housing – AETC General Partner LLC <sup>(iii)</sup>                       | Infrastructure Investment      |
| BBC Military Housing – AETC Limited Partner LLC <sup>(iii)</sup>                       | Infrastructure Investment      |
| BBC Military Housing – AMC General Partner LLC                                         | Infrastructure Investment      |
| BBC Military Housing – AMC Limited Partner LLC                                         | Infrastructure Investment      |
| BBC Military Housing – Bliss/WSMR General Partner LLC                                  | Infrastructure Investment      |
| BBC Military Housing – Bliss/WSMR Limited Partner LLC                                  | Infrastructure Investment      |
| BBC Military Housing – Carlisle/Picatinny General Partner LLC                          | Infrastructure Investment      |
| BBC Military Housing – Carlisle/Picatinny Limited Partner LLC                          | Infrastructure Investment      |
| BBC Military Housing – FDWR LLC <sup>(iv)</sup>                                        | Infrastructure Investment      |
| BBC Military Housing – Fort Carson LLC                                                 | Infrastructure Investment      |
| BBC Military Housing – Fort Gordon LLC                                                 | Infrastructure Investment      |
| BBC Military Housing – Fort Hamilton LLC                                               | Infrastructure Investment      |
| BBC Military Housing – Fort Jackson LLC                                                | Infrastructure Investment      |
| BBC Military Housing – Hampton Roads LLC                                               | Infrastructure Investment      |
| BBC Military Housing – Lackland LLC                                                    | Infrastructure Investment      |
| BBC Military Housing – Leonard Wood LLC                                                | Infrastructure Investment      |
| BBC Military Housing – Navy Northeast LLC <sup>(v)</sup>                               | Infrastructure Investment      |
| BBC Military Housing – Navy Southeast LLC                                              | Infrastructure Investment      |

**43 Details of related undertakings of Balfour Beatty plc as at 31 December 2022** continued

**Subsidiary undertakings incorporated outside the United Kingdom** continued

| Entity                                                                                                | Principal activity        |
|-------------------------------------------------------------------------------------------------------|---------------------------|
| BBC Military Housing – Northern Group, LLC                                                            | Infrastructure Investment |
| BBC Military Housing – Stewart Hunter LLC                                                             | Infrastructure Investment |
| BBC Military Housing – Vandenberg General Partner LLC <sup>(iv)</sup>                                 | Infrastructure Investment |
| BBC Military Housing – Vandenberg Limited Partner LLC <sup>(iv)</sup>                                 | Infrastructure Investment |
| BBC Military Housing – West Point LLC                                                                 | Infrastructure Investment |
| BBC Military Housing – Western General Partner, LLC                                                   | Infrastructure Investment |
| BBC Military Housing – Western Limited Partner, LLC                                                   | Infrastructure Investment |
| BBC Multifamily Holdings, LLC                                                                         | Infrastructure Investment |
| BBCS – Northside Campus LLC                                                                           | Infrastructure Investment |
| BBCS Development, LLC                                                                                 | Infrastructure Investment |
| BICC Cables Corporation                                                                               | Business Services         |
| <b>Corporation Service Company, 300 Deschutes Way SW, Suite 304, Tumwater WA 98501</b>                |                           |
| Howard S. Wright Construction Co                                                                      | Construction Services     |
| HSW, Inc                                                                                              | Construction Services     |
| <b>CSC – Nevada, C/O CSC Services of Nevada, Inc., 502 East John Street Carson City, Nevada 89706</b> |                           |
| Balfour Beatty-Golden Construction Company                                                            | Construction Services     |
| Balfour Beatty Construction Company, Inc                                                              | Construction Services     |
| Balfour Beatty Construction Group, Inc                                                                | Construction Services     |

Notes

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

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**Balfour Beatty**

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