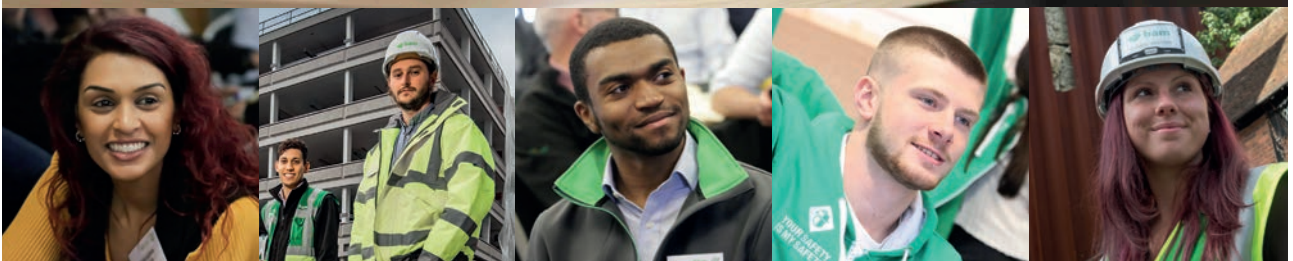




BAM Construct UK

Modern Slavery Statement 2019





Proactive ownership
'I take the initiative to prevent, rather than fix'



Open collaboration
'I share, so we all gain'



Scalable learning
'I ask, listen and support, so that we learn collectively'



Predictable performance
'I deliver what I promise'

BAM Construct UK

Modern Slavery Statement 2019

This statement, on behalf of the Board of BAM Construct UK Ltd for the calendar year 2019, sets out what we are doing to assess and mitigate the risk of slavery and human trafficking in our business and our supply chain, and the progress made since our last statement covering the year 2018.

This statement applies to BAM Construct UK and its subsidiaries, BAM Construction Ltd (including BAM Services Engineering, Design and Plant), BAM Properties Ltd and BAM FM Ltd.

In preparing this statement and considering our plans, the potential impacts of Covid19 have been considered. We believe there is an increased risk of unfair treatment and low paid workers in the wake of Covid19 and extra vigilance is needed to help stamp out slavery.

Our business and values

BAM Construct UK Ltd is a part of Royal BAM Group, a construction enterprise operating in Europe and internationally that has over 19,000 employees. BAM Construct UK employs over 2,000 people and operates in England, Scotland and Wales and we have collaborated with our sister company, BAM Nuttall Ltd, in developing our approach to stamp out slavery.

Our business spans the lifecycle of the built environment, consisting of property development, design, construction, services engineering, plant and facilities management. More about what we do can be found at www.bam.co.uk/what-we-do.

We are committed to being a sustainable business and ultimately want to have a net positive impact on climate, resources and people by 2050. Our values underpin what we do and help to create a culture of accountability, responsibility and collaboration on a range of issues, including modern slavery.

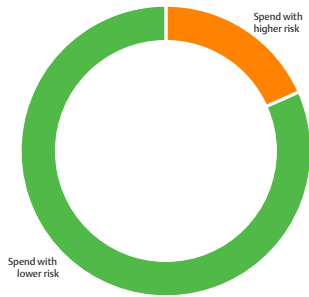
BAM is committed to collaborating with its stakeholders to combat slavery and human trafficking throughout our operations and those associated with our business. This is not a standalone issue, but one which forms part of our approach to ensuring that we:

- treat people with fairness, dignity and respect;
- source goods and services responsibly;
- promote and strive for transparency; and
- conduct our business with the highest regard to ethical and environmental standards.

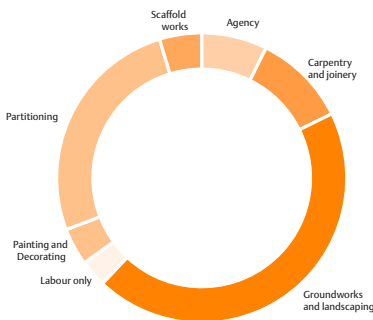
We are committed to ensuring that all of our employees and third parties performing services for or on our behalf and/or joint venture parties abide by the highest professional and ethical standards.

You can find out more about our approach to sustainability in our global integrated report here <https://www.bam.com/en/investor-relations/annual-reports> or our UK sustainability microsite here <http://sustainability.bam.co.uk>.

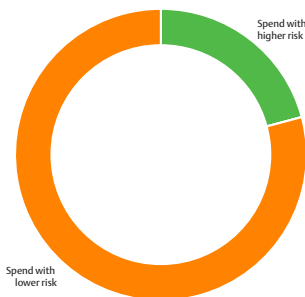
Risks associated with labour



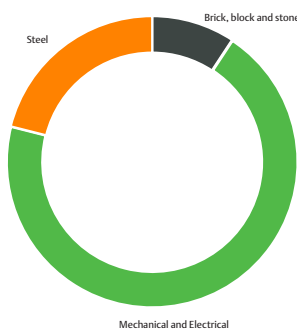
Subcontractor breakdown



Risks associated with materials



Materials breakdown



Our supply chain

We have a large and complex supply chain, due to the scope and nature of our work and our geographical spread across the UK. Approximately 80% of our turnover is spent with our supply chain comprising some 5,000 vendors. The majority of this spend is with companies servicing our construction operations that account for about 90% of our turnover.

The Royal BAM Group have a strategic programme to develop greater business excellence across all areas. As part of this programme One BAM procurement seeks to implement procurement initiatives across all operating companies. BAM Construct and BAM Nuttall are already collaborating to review supply chain selection and category management with a focus on modern slavery prevention and positive ethical practices forming a prominent criteria for selection.

Subcontractors and service providers

We have a varied supply chain from construction package subcontractors to service and consultancy suppliers, working across different parts of the business spanning a wide range of skill levels. We have a supply chain management system to register, vet and monitor our subcontractors and service providers and dedicated supply chain managers within each business unit to manage relationships.

Materials and goods

We procure materials and goods to service our business operations, but the majority of materials are sourced through our subcontractor supply chain and are specified to meet the needs of our clients and the projects we deliver for them.

We consider ethical and sustainability criteria when sourcing materials and goods where it is within our remit to do so, and work with our clients to assist them in selecting sustainable and ethically sourced materials. When we provide design services, or procure materials and goods directly, we specify to industry standards for responsible and sustainably sourced material as outlined in our responsible sourcing and sustainability policies.

This includes all timber from legal and sustainable sources, recognised responsible sourcing certifications for other materials, such as BES6001 and ethical supply standards, such as dimensional stone from suppliers operating to ETI base code guidelines.

Hotspots and risks

Working with a third party, Action Sustainability, we have carried out a high level risk assessment of our spend in relation to modern slavery. This identified the key trades and categories of spend where there is potential for higher risk of modern slavery or issues which may lead to modern slavery, such as low paid labour. The key risks identified for us are in contractor materials sourced outside of the EU and where there may be low skilled or migrant labour used. From this work, we have identified 10 categories of spend for further assessment and engagement (split into labour and material risk areas).

We acknowledge that there is still much to learn within industry about where risks lie and we continue to work with our preferred suppliers to establish long term and collaborative relationships to mitigate risks. It is our intention to continue working with our peers, our suppliers and regulators to share information and intelligence to improve our and wider industry understanding of where risks of modern slavery lie. We will update our risk assessment over time and report back on findings and actions taken.

BAM Construct UK Ltd
Responsible Sourcing Policy
 Working in partnership with our supply chain

Introduction
 BAM Construct UK recognises the impact we have on the environment and stakeholders through our design, construction and operational activities.

We assess our risks and opportunities associated with procurement and sourcing at corporate and project level. This policy sets out how we address these and how we expect our stakeholders to act in a socially and environmentally responsible manner.

Goals and services
 We are committed to, and expect our supply chain partners to support us with, the sourcing of goods and services which generate positive impacts. This means:

- Considering the impact on natural resources when choosing goods and materials
- Promoting the application of Life Cycle Thinking when considering specifications during the design, specification and construction process to reduce the impact of buildings over their whole life
- Minimising the use of materials with a hazardous content and promoting the use of materials which can improve the health of building users
- Procuring all new timber and wood based products for temporary and permanent use from certified legal and sustainable sources. This includes Green in Britain (GiB), Forest Stewardship Council (FSC), and Programme for the Endorsement of Forest Certification (PEFC). Chain of Custody evidence is required to confirm compliance
- Ensuring that our subcontractors have an Environmental Policy and that BAM's environmental processes to ensure compliance with relevant environmental protection laws and regulations
- Encouraging our supply chain to implement or to be working towards a ISO14001 accredited third party certified Environmental Management System
- Encouraging our supply chain to become active members of the Supply Chain Sustainability School
- Supporting and giving preference to procuring products which are able to demonstrate compliance with a recognised responsible sourcing scheme, certified by a third party, such as BRC, ISO or Cradle to Cradle
- Supporting and giving preference to waste management contractors that hold PAS108 accreditation
- Minimising excessive packaging, with a particular focus on single use plastic, without having a negative impact on the delivered goods

People
 We are committed to creating work environments where everyone feels safe, engaged and supported to do their best. Therefore, our suppliers are required to:

- Put the health and safety of anyone who could be affected by their activities at the heart of their operations
- Respect human rights and treat their employees with dignity
- Report and assess their risks related to slavery and forced labour in their own supply chain, for instance, by proactively addressing any of the risks arising and following the Ethical Trade Initiative guidelines
- Demonstrate the necessary level of employee competence for all the tasks they undertake on our projects or in our workplaces
- Adhere to our Health and Safety Policy and cooperate on all matters of health and safety

Supporting local economy
 We support local economic regeneration through our procurement activities. We:

- Encourage local procurement of materials and services where feasible
- Support schemes that promote the principles of the Social Value Act such as GIB or other
- Work with our supply chain partners and local agencies to find opportunities to work, train, work experience and apprenticeships at a local level
- Use local agencies, labour and workspaces where possible, creating a positive impact on local communities and encourage our supply chain to do so too

Implementation and review
 We will ensure that BAM employees and our supply chain partners adhere to these responsible sourcing principles by:

- Disseminating the policy to our supply chain partners
- Providing information on the social and environmental performance of our supply chain. If there are concerns about a chosen supplier's procurement practices, we will work with our local agencies, labour and workspaces to address them
- Integrating these requirements through our procurement, and ensuring ongoing training and guidance to our commercial teams
- Measuring and publicly reporting on our progress and achievements

James Wiseman
 Chief Executive, BAM Construct UK Ltd

March 2020. Review date: 2021

BAM Construct UK Ltd
Business Ethics Policy

1.0 Introduction
 BAM Construct UK Limited (BAM) is committed to ethical business conduct in the way we interact with our key stakeholders: employees, clients, business partners and suppliers, government and regulatory, communities, society and the environment.

Our Business Ethics Policy applies to all BAM Construct UK Limited businesses and to all our employees. When BAM is involved in collaboration with third parties, where we do not have management control, we will promote the application of these business principles.

2.0 Standard of Conduct
 We aim to conduct our operations in a sound business practice with our, honesty and integrity and with respect for the human rights and interests of all our employees. We respect the legitimate interests of all those with whom we have relationships.

2.1 Obeying the Law
 The Company and all our employees must comply with UK laws and regulations and conduct our operations in accordance with accepted principles of good corporate governance.

2.2 Discretion
 We are committed to providing a working environment in which employees can realise their full potential and contribute to business success.

We respect the dignity of the individual and support the United Nations International Declaration of Human Rights and other core conventions.

We are committed to diversity in a working environment where there is mutual trust and respect and where everyone is accountable for their actions and responsible for the performance and reputation of our company.

We aim to recruit, employ and promote employees on the sole basis of their ability to fulfil the requirements of the job. We are committed to developing and enhancing each employee's skills and capabilities.

We will provide our employees with safe and healthy working conditions and practices. We monitor and report our health and safety performance.

2.3 Clients
 We are committed to providing quality, high value services which meet all applicable safety standards. We value the trust our clients place in us and will safeguard the information provided to us in accordance with relevant laws and contractual commitments.

2.4 Business Partners and Suppliers
 We are committed to relations with our suppliers, customers and business partners based on honesty, integrity. We aim to protect our property (including intellectual property) and respect the property of others. In our business dealings we expect our partners to respect our business principles.

2.5 Communications
 We will communicate openly with all stakeholders within the bounds of commercial confidentiality and regulatory constraints. We will ensure that all announcements are accurate, fair, timely and understandable. Where this is not applicable standards and regulations.

2.6 Business Integrity
 Our employees may offer, give or receive any gift, payment or entertainment which is, or may reasonably be considered to be, a bribe.

Any gifts or entertainments offered, given or received must be reported to the appropriate members with the relevant discharge of duties.

Any employee who offers an entertainment which has a financial value to it or is considered to be a bribe must report it to their manager. Our anti bribery and corruption policy (see page 11) sets out further guidance.

2.6.1 Competitive Tendering
 Our policy is to ensure that all our activities are conducted in compliance with UK and EU competition laws. Our Competition Law Compliance procedure (see page 04) sets out guidance to all employees on competition law and how it applies to our day to day activities.

2.6.2 Conflicts of Interest
 All BAM employees must avoid personal activities and financial interests that conflict or are perceived to conflict with their responsibilities to the Company. They must not engage in any business activity or to conduct any activity which is in competition with any BAM Group company. BAM employees must not seek gain for themselves or others through misuse of their position. Any circumstances that could give rise to a potential conflict of interest must be disclosed in writing to the Company.

2.6.3 Community Involvement
 We acknowledge the interdependency between the success of our business and the well being of the communities in which we operate.

We are committed to making a positive social contribution within those communities and acknowledge our responsibility to engage with the communities in which we work.

2.6.4 The Environment
 We are committed to making continuous improvements in the way we manage our environmental impact to promote environmental care and awareness with emphasis on the need to reduce energy consumption and waste production and to monitor and report on environmental management.

2.6.5 Compliance and Reporting
 Compliance with these business principles is essential to our business success. The Board of BAM Construct UK Limited is responsible for ensuring these business principles are implemented by, and embedded and observed by, all employees and associates. Day-to-day responsibility for promoting and implementing these Business Principles is delegated to the senior management of the Company. The Board of BAM Construct UK Limited reserves the right to investigate any non-compliance with our Business Ethics Policy. BAM has a Reporting Director of Business Ethics (see page 06) which allows employees to report any non-compliance with these principles confidentially and anonymously.

2.6.6 Bribery
 Our Business Ethics Policy forms an integral part of employee training programmes.

James Wiseman
 Chief Executive, BAM Construct UK Ltd

March 2020. Review date: 2021

What we are doing

We encourage all BAM Construct UK employees to be aware of and report any suspected incidents of unfair treatment either within our business or within our supply chain.

We continue to collaborate with our sister company in the UK, BAM Nuttall, to identify and carry out the appropriate and proportionate measures that should be taken to minimise the risks of modern slavery or human trafficking in our organisation or in our supply chains. We have a working group with representatives from our legal, human resources, commercial, supply chain and sustainability teams.

Our responsible sourcing policy (<http://www.bam.co.uk/docs/default-source/policies/responsiblesourcingpolicy.pdf?sfvrsn=18>) and business ethics policy (https://www.bam.co.uk/docs/default-source/policies/businessethicspolicy.pdf?sfvrsn=61f150c2_8) set out our commitments and minimum requirements.

What we have done during 2019

Following our 2018/19 Modern Slavery gap analysis, carried out in collaboration with BAM Nuttall and Action Sustainability, we determined an action plan and began implementing it in 2019. This is focused on three key areas:

- Compliance and due diligence
- Training and engagement; and
- Industry engagement

A detailed summary of our key actions is provided below.

Compliance

- We have followed up and further embedded the recommendations from our work with Action Sustainability to carry out a gap analysis against ISO 20400, focusing specifically on the sustainability issue of modern slavery. An action plan was approved by our board for 2020/21, including key actions on training and supply chain engagement and due diligence.
- We have continued the roll out of Construction Line and the requirement for suppliers to be Gold Status. Currently 80% of our priority suppliers hold Gold status. This sets higher standards for environmental and social sustainability disclosure by the supply chain, including requirements on modern slavery processes. Construction line also verify responses.
- As part of Royal BAM Group, BAM Construct worked with BAM Nuttall during 2019, to introduce OneBAM procurement in the UK. Modern slavery, along with a wider set of sustainability issues, have been considered as part of the process and will inform criteria for our supply chain to work with BAM going forward.
- Modern slavery now forms part of the Royal BAM Group Code of Conduct, which was updated during 2019. Mandatory training was rolled out to all employees, globally, with BAM Construct UK achieving 95% training completion. You can read more here <https://www.bam.com/en/about-bam/code-of-conduct>.
- Informed by our risk assessment against category of spend, we engaged with a group of subcontractors on their compliance with Home Office Guidance for eligibility and right to work.



Are you being forced to work in some way?
Are you or your family threatened in any way?
Does someone control your personal documents or wages?
Do you know anyone being treated in this way?

This will not be tolerated on BAM sites.

How to get help?
If you suspect someone is being mistreated or you are in trouble yourself, call the modern slavery helpline on 08000 121 700. You can also speak to a member of BAM staff if you need help.

Training and Engagement

We have identified communication, training and engagement on modern slavery as a priority for BAM. During 2019 we have made improvements. Progress includes:

- Our Executive Board received training on Modern Slavery so they can better understand the issues, risks and impacts and how we can deal with them.
- We work with the Supply Chain Sustainability School to engage with and provide training to our supply chain. During 2019, we promoted the School to all of our priority suppliers and encouraged them to use resources and undergo training. Take up of modern slavery resources is generally low compared with other topics but progress is being made.
- During 2019, 27 of our targeted priority suppliers made use of a total of 52 training resources through the supply chain school. A further 98 companies from our wider supply chain made use of 241 training resources. The most widely used resources are e-learning modules.
- Modern slavery e-learning was added to our staffs mandatory training schedule at the end of 2019. In total, 260 employees had completed the training at the end of 2019 with continued increases during 2020.
- We launched a new intranet, BAM Connect, and created a new Modern Slavery Information hub as part of this, including a number of resources that all of our sites and other locations have been asked to use, such as posters and toolbox talks.
- Projects displayed our awareness posters and used our toolbox talk.
- Modern slavery awareness was promoted as part of supply chain annual reviews, supply chain events and through direct email communications.

Industry Engagement

- We have signed up to The Construction Protocol, to work in partnership with the Government and our peers to protect vulnerable workers, share intelligence and best practice, raise awareness and to work on joint initiatives across industry. <https://www.gla.gov.uk/i-am-a/i-use-workers/construction-protocol/>
- We collaborate with our peers through the Supply Chain Sustainability School to collectively improve industry performance on sustainability issues, including modern slavery.
- We attended various industry meetings and forums including Construction Protocol meetings and Westminster Policy Forums.

We're collaborating with industry to tackle modern slavery together



Gangmasters & Labour Abuse Authority



BAM has linked its sustainability strategy to the sustainable development goals we have the biggest opportunity to influence. Eradicating forced labour is a central focus for goal 8.

SUSTAINABLE DEVELOPMENT GOALS



Plans for 2020

Our plans for 2020 build on work carried out in 2019 and include ongoing aspects of our program of work to engage with our supply chain on modern slavery (as part of broader engagement on sustainability) and to raise awareness amongst our own employees. A summary of our plans is provided below.

- Follow up on mandatory modern slavery e-learning, with a target that 1,000 of our employees will have completed this during 2020.
- Build on our risk assessment, work to engage higher risk trades, and construction line Gold, to engage with and audit 50% of key suppliers.
- Promote e-learning on modern slavery through the supply chain sustainability school and monitor and report on progress.
- Continue to promote awareness and engagement on modern slavery as part of our supply chain communications, events and annual reviews.
- Hold at least one modern slavery awareness / training workshop on each of our live projects.
- Address modern slavery as part of the One BAM Procurement Process, including requirements for suppliers to demonstrate high standards of due diligence and transparency.
- Require all our priority subcontractors to hold Construction Line Gold certification. This requires them to provide information on what they are doing to combat modern slavery.
- Roll out Construction Line to our key materials suppliers.
- Continue to collaborate with Constructionline to look at additional ways in which they are able to support us in combatting Modern Slavery.
- Collaborate with others in industry through forums such as the Construction Protocol and specifically with those providing support to victims of modern slavery to assess how we can support any victims identified in our supply chain.

Summary

BAM Construct UK remains fully committed to stamp out slavery.

Our people are fundamental to our success. By introducing modern slavery training we continue to create greater awareness not only within our business but within society at large.

Our supply chain is an intrinsic part of our business. As such it is essential that we engage with all our suppliers and subcontractors. Together we will stamp out slavery.

Due diligence

We have a supply chain compliance programme in place to ensure all those in our supply chain and contractors share our values. This comprises:

- Construction Line pre-qualification programme. We require our supply chain to achieve Gold certification of Construction Line in order to work for us, this includes complying with requirements related to modern slavery as well as employment of labour and responsible sourcing.
- Annual reviews with our tier 1 suppliers, including review of sustainability performance and actions to combat modern slavery.
- Project-specific supply chain questionnaire for all suppliers.
- Right to work eligibility checks, including questions and guidance for our supply chain partners on how to ensure they are employing people legally and therefore combatting modern slavery.

We have appointed a Compliance Officer who is accountable to our Board and responsible for overseeing compliance with the Modern Slavery Act and annual preparation of the Modern Slavery Act Transparency Statement.

Our Supply Chain, Commercial, Human Resources and Sustainability departments are also involved with ensuring the robustness of our measures within BAM Construct UK to guard against modern slavery and human trafficking.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our modern slavery statement for the financial year ending 31st December 2019.

James Wimpenny
Chief Executive
BAM Construct UK Limited

BAM Construct UK Ltd
Breakspear Park, Breakspear Way,
Hemel Hempstead, Hertfordshire HP2 4FL
Tel 01442 238 300
www.bam.co.uk

