



# Sustainable Procurement Policy

## Requirements for our Supply Chain

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Balfour Beatty UK

**Balfour Beatty**

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# 1. Sustainable Procurement at Balfour Beatty

For us Sustainable Procurement is about using procurement and working with our supply chain to address social, economic and environmental considerations over the entire life cycle in ways that offer real long-term benefits to the economy to communities and to the environment.

Balfour Beatty is a global leader in sustainable procurement. In 2017 Balfour Beatty became the first company in the world to be assessed against ISO 20400, the international standard for sustainable procurement.

## Purpose

To create the best value for our customers, Balfour Beatty wants to choose the optimum combination of whole life costs and benefits. This includes the environmental, social and economic impact of our activities through design, material selection, manufacture, transportation, construction, usage and disposal. We need to work collaboratively with our supply chain to achieve this ambition.

## Scope

Our policy describes Balfour Beatty UK's commitments to deliver sustainable outcomes through our procurement activity and is **to be applied where relevant and proportionate to the goods, services or sub contracts being provided**. To find out which requirements are relevant to your organisation please see our Risk and Opportunity assessment [here](#).

Suppliers and subcontractors must also comply with our [other associated policies and initiatives](#), including; [Zero Harm](#); [Supplier Code of Conduct](#) and our [HSEQ+S Conditions for Subcontractors](#).

Responsibility for this policy lies with the Group CEO. The implementation of this policy is the collective responsibility of all employees, agents, consultants, suppliers and subcontractors.

Suppliers and subcontractors must also comply with the United Nations Universal Declaration of Human Rights, the International Labour Organisation's standards on child labour and minimum age, the United Nations Global Compact and the Modern Slavery Act 2015. **Suppliers and subcontractors must ensure their suppliers and subcontractors also comply with these standards.**

## 2. Sustainable Procurement Policy

We will work with our designers and supply chain to ensure that where relevant and proportionate, we:

### Profitable Markets

- **Payment** - Pay on time to agreed payment terms.
- **Supply Chain Development** - Improve our combined capability to deliver sustainable outcomes.
- **Supplier Diversity** - Offer small and medium enterprises, social enterprises and local businesses the opportunity to participate in our supply chain and to work with suppliers who actively manage diversity & inclusion in their workforce.
- **Developing Skills and Talent** - Recruit locally and provide opportunities for graduates, trainees, apprenticeships and work experience.

### Healthy Communities

- **Labour Standards** - Implement a proactive approach to tackling modern slavery and labour exploitation and work to eliminate these practices in our wider supply chain.
- **Community Engagement** - Engage positively with the local community and work to avoid disruption to local people.
- **Social Value** - Quantify the local social, environmental and economic impact of our supply chain.

### Environmental Limits

- **Environmental Management** - Work to reduce the key environmental impacts of our operations and work with suppliers and subcontractors to minimise and manage these impacts and ensure legal compliance.
- **Energy & Carbon** - Reduce our operational energy use and scope 3 emissions and quantify the embodied carbon of key materials.
- **Air Quality** - Reduce impacts on air quality by controlling dust and harmful emissions.
- **Biodiversity** - Protect biodiversity and, where possible, deliver measurable net gains in biodiversity.
- **Water** - Reduce the operational water use of our projects and quantify the embodied water of key materials.
- **Ethical Sourcing** - Source products, materials and services ethically through recognised and credible standards.
- **Circular Economy & Resource Efficiency** - Minimise waste and use of materials and give preference to materials, products and services with greatest circular-economy benefits.

*\*To find out which requirements are relevant to your organisation please see our Sustainability Risk and Opportunity assessment [here](#).*

## 3. Material Exclusion Lists

### Red List of Materials:

**Do Not Use** The following shall not be used within the delivery of any BBUK contract or construction of any of our works under any circumstances:

Alkylphenols; Asbestos; Chlorofluorocarbons (CFCs); Formaldehyde (added), the requirement is to eliminate the formaldehyde content in bound boards and products used in internal fit-out and structures; Hydrochlorofluorocarbons (HCFCs), the requirement is to eliminate HCFC use in line with UK legislation; Polychlorinated Biphenyls (PCBs); Phthalates; Short Chain Chlorinated Paraffins; Wood treatments containing creosote, arsenic or pentachlorophenol; Materials containing micro bead plastics.

### Grey List of Materials:

#### Avoid or Minimise Use

The following are materials where BBUK seeks primarily to avoid, or where no suitable alternative is available, to minimise their use:

**Non-FSC or PEFC Timber** - The requirement is to Procure 100% of timber products including packaging from recognised responsible sources preferably FSC or PEFC in line with our procedure for Responsible Timber Procurement

**Cement and Virgin Aggregates** - The requirement is to maximise the use of cement replacement products in concrete mixes and to maximise the use of Recycled Concrete Aggregate (RCA).

**Hazardous Chemicals** - The requirement is to eliminate the use of hazardous chemicals covered by the Stockholm and OSPAR Conventions, whilst ensuring management in line with the European Chemicals Regulations.

**Scarce Minerals** - The requirement is to substitute the use of scarce minerals wherever possible otherwise apply the principles of the waste hierarchy to ensure use is reduced or minerals are reused or recycled.

**The following have been identified as being harmful to living creatures and where possible alternatives shall be sought:**

Single Use Plastics, Bisphenol A (BPA), Cadmium, Chlorinated polyethylene, Chlorosulfonated polyethylene (CSPE), Chlorobenzene, Chloroprene (neoprene), Chromium VI, Chlorinated Polyvinyl Chloride (CPVC), Halogenated flame retardants (HFRs), Lead (added), Mercury, Perfluorinated Compounds (PFCs), Polyvinylidene Chloride (PVDC), Hydrofluorocarbons (HFCs), Aldrin, Chlordane, p,p'-Dichlorodiphenyltrichloroethane (DDT), Brominated flame retardant HBCD (sometimes referred to as HBCDD).

## Other Notifications

- Road plainings and **excavated bituminous material containing coal tar** are classed as hazardous (special) waste where the level of coal tar is >0.1% w/w (1,000 mg/kg). They must be managed and disposed of correctly to avoid environmental contamination.
- **Incinerator bottom ash aggregate (IBAA)** should be covered by an environmental permit or an Environment Agency Regulatory Position Statement which allows it to be used without a permit, subject to certain criteria.
- **Stone and aggregates** for use in watercourses or in places where they may affect water e.g. river banks, must be washed, to ensure that the fines (clay and silt) have been removed.
- **Recycled aggregate** must be verified as 'WRAP quality protocol certified' on the delivery note. The aggregate should be consistent in size. The material delivered should have minimal soil content. The total amount of contamination should not exceed 1% of the total mass.

# 4. Policy Guidance

The following section sets out in more detail the minimum requirements for our suppliers and subcontractors **to be applied where relevant and proportionate to the materials, works or services being provided**. To find out which requirements are relevant to your organisation please see our Sustainability Risk and Opportunity assessment [here](#).

## 4.1 Profitable Markets

### Payment

- Suppliers and Subcontractors must pay their suppliers and subcontractors on time and in accordance with the contract conditions. We are committed to payment on time and will publish our performance. We expect our suppliers and subcontractors to commit to the principles of the [Prompt Payment Code](#) as a minimum and would encourage them to publish their performance.
- Suppliers and Subcontractors must adopt fair operating practices in which they act honestly, do not give or receive bribes or participate in corruption.

### Supply Chain Development

- Balfour Beatty has a minimum expectation that Suppliers and Subcontractors will have a sustainability and sustainable procurement policy.
- Suppliers and Subcontractors are expected to have a sustainability representative and be able demonstrate how they are changing behaviours of their employees to improve sustainability outcomes.

- Suppliers and Subcontractors are expected to improve the sustainability knowledge amongst their teams and we encourage them to become active members of [the Supply Chain Sustainability School](#) and work towards bronze, silver and gold level accreditation as a demonstration of competence.
- Suppliers and Subcontractors are required to pass on the requirements of our HSEQ&S Conditions to their supply chain, and make sure that the requirements are delivered, managed and reported effectively
- Suppliers and Subcontractors are required to identify opportunities to improve sustainability outcomes.

## Supplier Diversity

- Suppliers and Subcontractors are required to provide details of attributable spend with Local Suppliers and Subcontractors ('Local' is considered to be within a 50-mile radius of the project unless otherwise defined).
- Suppliers and Subcontractors who are not classified as 'Small' or 'Medium'-Sized Enterprises (SMEs) are required to provide details of attributable spend with SMEs.
- Suppliers and Subcontractors must openly advertise any remaining supply chain opportunities (i.e. where no contractual arrangements have been agreed by the date of the main contract award).
- Suppliers and Subcontractors are required to have in place at all times, and keep updated, an appropriate Diversity & Inclusion Policy which reflects and compliments the relevant statutory provisions relating to diversity and equality Law in relation to race, sex, gender reassignment, age, disability, sexual orientation, religion or belief, pregnancy, maternity or otherwise. This should include details of their approach to monitoring, recruitment, bullying and harassment and training.
- Suppliers and Subcontractors may also be required to provide data on the diversity of their workforce by the following characteristics: national identity, age, Disability, ethnicity, religion or belief, sex, sexual orientation and postcode of residence.
- Suppliers and Subcontractors may also be required to provide data on the diversity of all applicants to vacancies at each stage of the recruitment process (including analysis at application, interview and hire) by the following characteristics: national identity, age, Disability, ethnicity, religion or belief, sex, sexual orientation and postcode of residence.

## Developing Skills and Talent

- Suppliers and Subcontractors are required to provide details to Balfour Beatty of programmes and policies in place to promote local employment, including graduate programmes, apprenticeships and use of local labour. Balfour Beatty is particularly interested in creating opportunities for economically inactive and disadvantaged groups or individuals, as well as any attributable outcomes achieved.

- Suppliers and Subcontractors are encouraged to sign up to the 5% Club as a demonstration of commitment to work toward having a minimum 5% of your UK workforce enrolled on formalised apprenticeship, sponsored student and/or graduate development schemes within five years. <http://www.5percentclub.org.uk/>.



## Index of Multiple Deprivation

There is a direct link to wealth and health and those living in the most deprived areas die, on average, 7 years earlier than those in more wealthy areas. We are using the Index of Multiple Deprivation to map our spend in the 10% most deprived areas of England, Scotland and Wales – there is currently no comparative data available for Northern Ireland.

All our projects are encouraged to employ and procure locally. To calculate the benefit we bring to a community through our spending choices, we use LM3 Online – a local multiplier tool for calculating the local economic impact and benefit to communities.

Click here to see our [Profitable Markets Video](#).



## 4.2 Healthy Communities

### Modern Slavery

Modern Slavery is a term used today to describe issues such as Labour exploitation, Forced Labour, Human Trafficking and practices such as debt bondage, passport holding, and other such breaches of an individual's basic human rights.

- Suppliers and Subcontractors are required to provide a copy of your Modern Slavery Statement or other document detailing the steps being taken to ensure that modern slavery and labour exploitation does not occur in their own business or supply chain.
- Suppliers of Products & Materials are required to provide:
  - Details of the % of products / materials by value sourced / manufactured / produced they produce for Balfour Beatty from high risk countries of origin as defined by the Global Slavery Index 2018 (Split by direct and via sub-contractors)
  - or as a minimum provide details of the % of products / materials by value sourced / manufactured / produced from high risk countries of origin as defined by the Global Slavery Index 2018
  - Evidence that they conduct annual / regular supply chain audits, either directly or through third party auditors to monitor performance
- Recruitment Agencies or Subcontractors Providing Labour are required to:
  - Provide details of how you check applicant documentation. Including details of how you confirm:
    - the documents are genuine, original and unchanged and belong to the person who has given them to you
    - the dates for the applicant's right to work in the UK haven't expired
    - photos are the same across all documents and look like the applicant
    - dates of birth are the same across all documents
    - if 2 documents give different names, the applicant has supporting documents showing why they're different, e.g. a marriage certificate or divorce decree or the applicant is in possession of their legal documents (passport, identification and their own bank account details) or if these are being held by someone else.
  - Evidence that all staff, including temporary workers, have a written contract of employment and that they have not had to pay any direct or indirect fees to obtain work.
  - Evidence that all staff, including temporary workers are being paid at least the legal minimum wage.
  - Evidence that workers are not having wages taken off them for accommodation, food or to repay any supposed debt.

- Details of how workers are informed of their statutory rights including sick pay, holiday pay and any other benefits they may be entitled to.
- Details of how working hours are monitored.
- For a detailed explanation of explanation please see our [Modern Slavery Guidance for Suppliers](#)
- Suppliers and Subcontractors are required to notify Balfour Beatty as soon as it becomes aware of any instance of Modern Slavery or Labour Exploitation taking place in its supply chains or in any part of its business.
- Suppliers and Subcontractors should raise awareness of modern slavery, including the helpline number, to employees through appropriate means including: site inductions, notice boards and newsletters.
- Suppliers and Subcontractors are required to notify the National Referral Mechanism as soon as it becomes aware of any instance of Modern Slavery or Labour Exploitation taking place in its supply chains or in any part of its business. The helpline number is **0800 0121 700** and website to report incidences [www.modernslaveryhelpline.org/report](http://www.modernslaveryhelpline.org/report)

## Human Rights and Labour Standards

- Suppliers and Subcontractors are required to share our commitment to respecting, protecting and promoting human rights, including but not limited to:
  - The principles set out in the United Nations Universal Declaration of Human Rights and UN Global Compact initiative
  - all applicable laws, statutes, regulations and codes including
  - The International Labour Organization standards regarding child labour and minimum age,
  - International Labour Standards,
  - The Ethical Trading Initiative's (ETI) Base Code
  - The principles of our Code of Conduct
  - The principles of the Modern Slavery Act 2015
- Supplier and Subcontractors must:
  - Afford your employees the freedom to choose to work for you. Employees should be free to leave after reasonable notice is served. Balfour Beatty Suppliers and Subcontractors should not use forced, bonded or non-voluntary prison labour;
  - Demonstrate a commitment to equality of opportunity for individuals and groups enabling them to live their lives free from discrimination and oppression;
  - Impose working hours on your staff which are compliant with national laws or industry standards;
  - Under no circumstances abuse or intimidate, in any fashion, employees and have appropriate disciplinary, grievance and appeal procedures in place;
  - Take appropriate measures to ensure the health and safety of their workforce and the wider public;

- Offer wages and benefits that at least meet relevant industry benchmarks or national legal standards.
- Suppliers and Subcontractors are required to pay workers fairly without unlawful or unethical deduction of wages. This means:
  - Employees, agency workers or independent contractors engaged by them or their supply chain (“workers”) are paid fairly and in accordance with legal requirements regarding wages and working hours and, where applicable, agreed contractor rates without unlawful deduction
  - Workers are not charged for administration, employer PAYE contributions, training levies or any other costs which unfairly disadvantage them and cannot be justified.
  - Any use of umbrella companies for the purposes of paying such workers is compliant with the Freelancer & Contractor Services Association (FCSA) standards and codes of practice.

## Requirements for Suppliers of Products or Materials

- If you are providing products or materials that are sourced from high risk countries of origin we will need to understand more about the steps you are taking to ensure that modern slavery and labour exploitation does not occur. You will be required to provide us with the following information:
- Details of the % of products / materials by value sourced / manufactured / produced by you for Balfour Beatty from high risk countries of origin as defined by the Global Slavery Index 2018 (Split by direct and via sub-contractors)
- or as a minimum details of the % of products / materials by value sourced / manufactured / produced by you from high risk countries of origin as defined by the Global Slavery Index 2018
- Evidence that you conduct annual / regular supply chain audits, either directly or through third party auditors to monitor performance, including;
  - Summary of audits or other activity undertaken by you or via 3rd parties to assesses labour standards in your supply chain operating in high risk countries of origin.
  - Sample of evidence confirming audits have been undertaken i.e. Audit extract or other declaration.
  - Sample or other evidence confirming action is taken to address issues highlighted at audit.
  - Copy or copies of template audits that detail the areas covered. As a minimum audits should include confirmation that your supply chain;
- Suppliers and sub-contractors are encouraged to request that all their Tier One suppliers should join the Gangmasters and Labour Abuse Authority (GLAA) [Construction Protocol](#)

**The highest risk countries include:** Afghanistan, Belarus, Brunei Darussalam, Burundi, Cambodia, Central African Republic, Chad, Democratic Republic of Congo, Eritrea, Iran, Libya, Mauritania, Mongolia, Myanmar, North Korea, Pakistan, Rwanda, Somalia, South Sudan, Sudan and Turkmenistan.

**High risk countries for Timber:** Brazil, North Korea, South Korea, Peru

**High risk countries for Bricks:** Afghanistan, China, India, Myanmar, Nepal, North Korea, South Korea and Pakistan.

For more information please visit the [Global Slavery Index](#)

## Requirements for Recruitment Agencies and Subcontractors

- Suppliers and Subcontractors are required to provide details of how you check applicant documentation. Including details of how you confirm:
  - the documents are genuine, original and unchanged and belong to the person who has given them to you,
  - the dates for the applicant's right to work in the UK haven't expired,
  - photos are the same across all documents and look like the applicant,
  - dates of birth are the same across all documents,
  - if 2 documents give different names, the applicant has supporting documents showing why they're different, e.g. a marriage certificate or divorce decree or the applicant is in possession of their legal documents (passport, identification and their own bank account details) or if these are being held by someone else.
- Suppliers and Subcontractors are required to provide:
  - Evidence that all staff, including temporary workers, have a written contract of employment and that they have not had to pay any direct or indirect fees to obtain work.
  - Evidence that all staff, including temporary workers, are being paid at least the legal minimum wage.
  - Evidence that workers are not having wages taken off them for accommodation, food or to repay any supposed debt.
  - Details of how workers are informed of their statutory rights including sick pay, holiday pay and any other benefits they may be entitled to.
  - Details of how working hours are monitored.

## Use of Umbrella Companies

Balfour Beatty's preferred method of worker engagement is for all workers to be directly employed by a company through a PAYE model, but we recognise that in some circumstances individuals and companies working within our supply chain may seek alternative approaches to manage their commercial, employment, taxation and statutory liabilities such as personal limited companies or through umbrella companies. There may also be legitimate instances where workers are genuinely self-employed and therefore subject to separate Construction Industry Scheme tax deduction rules. Where umbrella companies are used these services must be provided in line with the Freelancer & Contractor Services Association (FCSA) code of compliance. This means that individuals employed by umbrella companies have the same access to all statutory rights and benefits of direct employment and money is not deducted from their salary to meet those costs.

N.B. Everyone working on a Balfour Beatty site who is not directly employed by Balfour Beatty may be required to provide evidence of identification including; confirmation of address, passport, a valid contract

of employment and details of the bank account where their wages will be paid. Please also note that suppliers and subcontractors to Balfour Beatty are required to notify us as soon as they become aware of any instance of Modern Slavery or Labour Exploitation taking place in their supply chains or in any part of their businesses.

Please also see our [Modern Slavery & Labour Exploitation Guidance & Requirements for Suppliers](#)

## Community Engagement

- Suppliers and Subcontractors are required to support Balfour Beatty to minimise disruption to the local community, particularly in regards to noise and vibration, dust and emissions.
- Suppliers and Subcontractors are required to, wherever possible, provide silenced plant/equipment and enforce the use of covers, baffles and noise suppressants on Company projects.
- Suppliers and Subcontractors are required to discuss with the Site Lead the location and use of noisy equipment such that precautions can be taken to protect people not directly engaged in the activity. Additionally, where appropriate, create hearing protection zones.
- Suppliers and Subcontractors should seek to plan deliveries to minimise the potential negative effects on local communities
- Suppliers and Subcontractors should engage positively with and invest in the local community. This can be achieved by supporting the Balfour Beatty's 'Involved' community investment programme or through their own plan and providing suitable evidence.

## Social Value

In some contracts we set targets and report to our customers the social value the project has generated. Social value covers the environmental, social and economic impact on the local area. We use the National TOMS Framework to measure the social value delivered by a project. To achieve the highest levels of social value we ask that our supply chain report to us the social value they have delivered through the project. The framework is available here: <https://socialvalueportal.com/national-toms/>

- Suppliers and Subcontractors may be required to report their expected and actual social value delivery on selected projects.



## Social Value at MECD

How do you deliver real value to communities? We worked with our supply chain to deliver apprenticeships and employment opportunities at Manchester Engineering Campus Development [Click here to view](#)

Click here to see out [Healthy Communities video](#)

## 4.3 Environmental Limits

### Environmental Management

- Suppliers and Subcontractors are required to either have their own ISO 14001 certified management system or to manage the operations on our Projects in accordance with the Company certified system.
- Suppliers and Subcontractors are required to report and provide details of any enforcement action taken against them the last five years by the Environment Agency or any local authority.
- Suppliers and Subcontractors must comply with the Company Environmental Procedures and the site Environmental Management System (EMS) or plan. Further advice on this can be obtained from the project environmental lead.
- Suppliers and Subcontractors are required to identify their environmental risks and manage those risks on the project.
- Suppliers and Subcontractors should develop a procedure for any complaints regarding environmental issues?

- Suppliers and Subcontractors are required to avoid the use of all Red Listed Materials and seek to avoid, or where no suitable alternative is available, to minimise their use of a Grey Listed Materials.
- Suppliers and Subcontractors should have arrangements for ensuring that any suppliers they engage apply environmental protection measures that are appropriate to the activity for which they are being engaged.
- Suppliers and Subcontractors are required to comply with archaeological mitigation requirements for the project.
- Suppliers and Subcontractors are required to follow the advice of archaeological specialists on the project.
- Suppliers and Subcontractors are required to be proactive in the early identification of archaeological risks and opportunities, and in measures to minimise the risks and maximise the opportunities.
- Where possible or required, Suppliers and Subcontractors shall achieve positive legacies for local communities from archaeological measures, for example through school educational activities.

## Energy & Carbon

- Suppliers and Subcontractors are required to take steps to minimise carbon and energy use within their operations and within supply chain.
- Suppliers and Subcontractors are required to take all reasonable steps to minimise energy usage including:
  - reducing energy use during construction and or delivery;
  - enabling energy efficiency in use i.e. providing instructions for more energy efficient use;
  - developing a suitable management plan to monitor, manage, report and feedback on the performance for the above component(s); and
  - co-operating and co-ordinating with others including contractors, subcontractors and consultants, engaged in connection with the works in furtherance of this clause.
- Suppliers and Subcontractors are encouraged to have ISO 50001.
- Suppliers and Subcontractors are required to report on annual Scope 1 and 2 GHG emissions in line with the requirements set out by the UK Government.
- Suppliers and Subcontractors should provide us with all relevant documents relating to the embodied carbon of the products and services provided, either in the form of an LCA, Environmental Product Declaration (EPD) or carbon analysis and provide any relevant data so we can assess the impact of the product or service. This will be determined in relation to the scale of the carbon impact of the product or service. We would also expect to be kept updated on any carbon savings or losses associated with any changes in the manufacturing process of the product or service.

- Suppliers of cement, bricks, concrete blocks, steel, rebar, cabling, glass, plaster, timber, PVC, asphalt and aggregates are required to quantify the embodied carbon (cradle to gate) of the materials and provide details to Balfour Beatty.
- Suppliers of Fleet, Plant and Equipment are required to provide details of fuel and energy use to Balfour Beatty.

## Air Quality

- Suppliers and Subcontractors are required to use the best practicable means to reduce or prevent emissions to air when planning and undertaking works
- Suppliers and Subcontractors should develop delivery plans which reduce emissions to air.
- Suppliers and Subcontractors may be required to inform us of the methods they are using to reduce or prevent emissions to air when planning and undertaking works.
- Water or other means of suppression must be used to prevent dust generation. Wagons must be sheeted when they are delivering or carrying dusty materials off-site or within site.

Suppliers and Subcontractors are required to apply the latest regulation, including any localised requirements for projects they are operating on. NRMM covers a large variety of engine installations in machines used for purposes other than for passenger or goods transport such as excavators, bulldozers, front loaders, back loaders. Balfour Beatty encourages suppliers to apply best practice to reduce emissions to air. These include:

- Removal of exemption for constant speed engines from 1st January 2020. All generators will have to meet Stage V requirements. Project Managers should do get our sites onto a grid connection as early as possible and with the Energy Management Unit as early as possible for any new sites.
- Wherever possible, subcontractors should not bring generators onto site.
- 1st September 2020 NRMM on all sites within Greater London will be required to meet Stage IIIB of EU Directive 97/68/EC as a minimum; and NRMM on all sites within either the London Central Activity Zone or Canary Wharf (CAZ/CW) plus Opportunity Areas will be required to meet Stage IV of EU Directive 97/68/EC as a minimum
- 1st Jan 2025: Stage V is required throughout London
- 1st Jan 2030: Zero emissions
- The requirements only apply to NRMM of net power between 37kW and 560kW. The net power range will be annually reviewed by the GLA



Table 1: NRMM Engine Emission Stage Requirements (of engine power between 37kW and 56kW)

Area	London SPG Stage Requirements		HS2 Requirements	
	From 2015	From 2020	From 2017	From 2020
Central Activity Zone (includes Euston)	IIIB	IV	IV <sup>(1, 2)</sup>	V
Rest of Greater London	IIIA	IIIB	IIIB <sup>(2)</sup>	IV <sup>(1, 2)</sup>
Rest of country	Not applicable	Not applicable	IIIB <sup>(2)</sup>	IV <sup>(1, 2)</sup>

Notes: (1) IIIB for 37 ≤ P < 56kW, as there is no corresponding Stage IV at EU level  
 (2) IIIA for constant speed engines of any power, as there is no corresponding Stage IIIB or IV at EU level

## Biodiversity

- Suppliers and Subcontractors are required to protect trees, other habitats and wildlife on site. This includes complying with ecological and arboricultural mitigation requirements.
- Suppliers and Subcontractors are required to follow the advice of ecological and arboricultural specialists, such as prohibited access to sensitive areas and stopping works if ecological or arboricultural issues arise.
- Suppliers and Subcontractor are required to be proactive in the early identification of ecological and arboricultural risks and opportunities, and in measures to minimise the risks and maximise the opportunities. Opportunities include the sustainable re-use of timber from habitat clearance.
- Suppliers and Subcontractors should protect biodiversity through the products and materials we buy. This includes materials involving natural resources (e.g. Section 7.1, Suppliers of Timber and Timber projects) as well as extractive industries (e.g. quarry sites).
- Where possible or required, Suppliers and Subcontractors should achieve Biodiversity Net Gain both on site and through the products and materials we buy, in accordance with the UK’s Good Practice Principles on Biodiversity Net Gain (CIEEM, CIRIA, IEMA, 2016). Suppliers and Subcontractors should maximise the social value of Biodiversity Net Gain for example through recreational and air quality benefits.

## Water

- Suppliers and Subcontractors are required to take all reasonable steps to minimise water usage including:
  - Using products with lower embodied water and work with suppliers to create products with lower embodied water;
  - Reducing water use during construction and or delivery;
  - Enabling water efficiency in use; and
  - Co-operate and co-ordinate with others including contractors, subcontractors and consultants, engaged in connection with the Works in furtherance of this clause.

- Suppliers and Subcontractors must not discharge or abstract water without permission. This includes discharging over land.
- Suppliers and Subcontractors are only to wash out concrete at designated areas.
- Suppliers of cement, bricks, concrete blocks, steel, rebar, cabling, glass, plaster, timber, PVC, asphalt and aggregates are required to quantify and provide details of embodied water (cradle to gate) to Balfour Beatty.
- Suppliers are encouraged to support Balfour Beatty with new processes, products and services to reduce water use.

## **Ethical Sourcing**

- Relevant Suppliers and Subcontractors are expected to have assessed the ethical sourcing issues associated with (at least) the top 5 products to be supplied to Balfour Beatty and be able to provide evidence of how they have mitigated any issues identified
- If relevant, Suppliers and Subcontractors who have not assessed the ethical sourcing issues associated with (at least) the top 5 products to be supplied to Balfour Beatty then they will be required to provide details of how they will manage associated ethical sourcing risks
- Relevant Suppliers and Subcontractors are required to have in place, and keep updated, a supply chain code of conduct of their own or agree to adopt and communicate Balfour Beatty's.
- Relevant Suppliers and Subcontractors are required to provide details of any recognised responsible sourcing scheme certifications, such as BES6001 or material specific equivalent standards.

## **Packaging and Waste Management**

- Suppliers and Subcontractors are required to take all reasonable steps to minimise waste, reduce packaging and give preference to materials and products with the greatest reused or recycled content and provide documented evidence to Balfour Beatty.
- Suppliers and Subcontractors should minimise the use of packaging and, wherever feasible, it should be made from materials that can be reused, recycled, or recovered.
- Suppliers and Subcontractors shall make available all relevant information associated with primary, secondary and tertiary packaging in accordance with the Packaging Waste Regulations.
- Suppliers and Subcontractors will be required to take back any packaging deemed excess or non-compliant at their own expense.
- Suppliers and Subcontractors must contribute to our site waste management plan (SWMP) and identify potential waste streams that could arise during their works, along with estimated total quantities of each waste type that will be produced and their planned disposal route.
- Suppliers and Subcontractors must comply with the site waste segregation strategy, including the avoidance of cross-contamination of segregated (non-mixed) skips.

- Where Suppliers and Subcontractors make their own arrangements for waste storage and disposal they must provide records of all transfers from the project and provide regular reports on the type and quantity of waste reused, recycled, otherwise recovered, or disposed of to landfill.
- Suppliers and Subcontractors will be expected to demonstrate a 'duty of care' for all waste transfers.
- Where the Supplier or Subcontractor is storing, processing or using waste on a project, a permit, license or exemption may be required from the Environmental Regulator. All conditions within the permit, license or exemption must be adhered to.
- Suppliers of recycled aggregate must be in full compliance of the duty of care requirements of the Waste Management Regulations or the WRAP Quality Protocol. Delivery documentation shall state that the product was produced under a quality protocol.

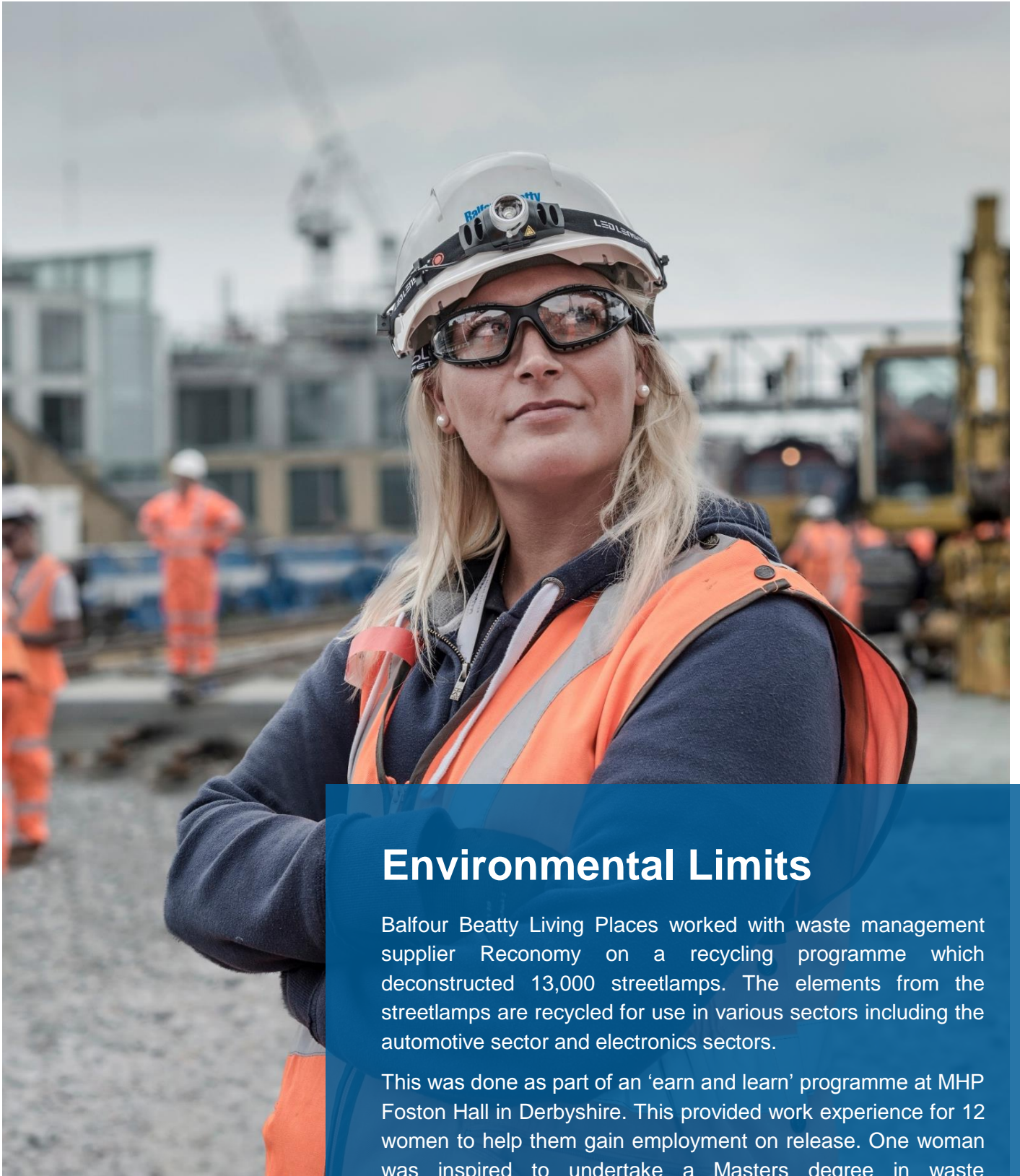
## Circular Economy

Circular economy solutions keep resources in use for as long as possible, extract the maximum value from them whilst in use, then recover and regenerate products and materials at the end of each service life<sup>1</sup>.

- Where possible, Suppliers and Subcontractors should employ closed loop waste systems which utilise the waste product from one process or product in another product or process. This can be part of the same construction project or can be through collaboration with other projects / organisations which use the waste as their raw material
- Suppliers and Subcontractors should enable the use of take back and collection services for their materials and associated packaging for subsequent reuse, recycling or recovery, wherever feasible.
- Demolition and deconstruction Subcontractors should consider using a waste hierarchy which:
  - maximises the recovery of materials and resources;
  - minimises demolition arisings through recycling and identifies reuse opportunities;
  - maximises the production/supply of construction materials from recovered demolition arisings;
  - includes design modification to limit amount of demolition (such as façade retention and other existing structure reuse);
  - and input into new design proposals to assist future demolition.
- Suppliers and Subcontractors should design, specify and procure materials, products and services with the greatest circular-economy benefits.

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<sup>1</sup> <http://www.wrap.org.uk>



## Environmental Limits

Balfour Beatty Living Places worked with waste management supplier Reconomy on a recycling programme which deconstructed 13,000 streetlamps. The elements from the streetlamps are recycled for use in various sectors including the automotive sector and electronics sectors.

This was done as part of an 'earn and learn' programme at MHP Foston Hall in Derbyshire. This provided work experience for 12 women to help them gain employment on release. One woman was inspired to undertake a Masters degree in waste management.

Click here to see our [Environmental Limits video](#)

## 5. Innovation

All suppliers are invited to approach Balfour Beatty with product and service innovations that can support us and our clients to improve health and safety, support our sustainability ambitions or reduce costs. Sustainability improvements can be in reducing the use of materials, providing new uses for waste resources, reducing water, greenhouse gas emissions or providing circular economy solutions.

Suggestions can be submitted on our website via our [Supply Chain Innovation Gateway](#)



## 6. Material Specific Requirements

Where it is identified that a material is required which is contrary to the requirements set out in this document and no suitable alternative is available, then a Concession must be sought from the Project Manager/ Project Environment or Sustainability Manager, supported by a Materials Justification Report, prior to acquisition.

**Failure to seek approval may result in the material or product being removed, disposed of and replaced, with the full cost borne by the supplier or sub-contractor.**

**Retrospective approval will only be considered in exceptional circumstances.**

### Suppliers of Timber and Timber Products

- Suppliers and Subcontractors must ensure that all the timber and timber products they use (including paper and packaging) is legally and sustainably sourced and provide documented evidence to Balfour Beatty. This includes products that are not for resale and composites, such as furniture, office fittings and office supplies.
- The Company will only accept procurement and use of timber and timber products from independently verified, legal and sustainable sources which meet the requirements of the EU Timber Regulation. They should be certified under the Forest Stewardship Council (“FSC”), Programme for the Endorsement of Forest Certification (“PEFC”) or the forest of origin should be licensed by the EU Forest Law Enforcement Governance and Trade (“FLEGT”) scheme.
- In addition a copy of the supplier’s current Chain of Custody (COC) certificate number relating to the material supplied must be provided on delivery documentation and subsequent invoices to satisfy Balfour Beatty Group policies and applicable projects Ecohomes / BREEAM audits and assessments.

- For reused or reclaimed timber brought to site but not specifically purchased, a statement or other guarantee that the timber is reused or reclaimed should be provided on delivery.
- All treated timber supplied must have a certificate of treatment supplied and issued to the site at the time of delivery.
- When suitable products are available, timber which is assured as 'Grown in Britain' should be used.

## **Suppliers of Wood / Timber Packaging**

- All wood packaging supplied on this purchase order from outside the UK from other EU countries or Switzerland must be bark-free or kiln-dried and marked "KD" to meet the EU Protected Zone requirements set out in the EU Plant Health Directive or must be ISPM15 compliant. All wood packaging from Portugal must either be ISPM15 compliant or otherwise marked to show that it was manufactured in another EU member state. Wood packaging from outside the EU or Switzerland must be ISPM15 compliant.

## **Suppliers of All Packaging**

- Use of packaging should be minimised and made from materials that can be reused, recycled, or recovered wherever feasible and give preference to suppliers and subcontractors that offer take back and collection services for their materials and associated packaging for subsequent reuse, recycling or recovery.
- Suppliers and Subcontractors shall make available all pertinent information associated with primary, secondary and tertiary packaging in accordance with the Packaging Waste Regulations. Suppliers and subcontractors will be required to take back any packaging deemed excess or non-compliant at their own expense.

## **Suppliers of Steel Products or Components**

- All steel for publicly funded projects must confirm its purchase point and report in accordance with the Public Contracting Regulations to meet the requirements of the Most Economically Advantageous Tender requirements noted.

## **Suppliers of Reinforcement Bar or Reinforced Concrete containing Reinforcement Bar**

- We expect all Suppliers of Reinforcement Bar to be aware that Balfour Beatty Ltd is a member of the UK Steel's Charter for British Sustainable Steel. It is a specific requirement that only carbon steel reinforcement (for use in concrete) adhering to the Framework Standard for Responsible Sourcing (BES 6001) is supplied by our suppliers, or associated agents. All steel reinforcement must be specified to comply with BS 4449 or BS 4483.

- The supply of loose cut and bent bar must be fully traceable, contain 98% Recycled Content, be CARES & ECO Approved to BS 8666 and is to be obtained from firm(s) holding valid certificates of approval.
- Any manufacture of pre-assembled MAG welded fabrications must use reinforcement bar in a specified size range to the relevant requirements of BS7123 and CARES Quality and Operations Assessment schedules 6 and 10 using tack welds and semi structural joints produced under factory conditions.
- All deliveries pre-slung and accessible from ground level with full certified lifting equipment. Flat woven webbing slings provided must be to current BS EN 1492-1:2000 standard and have CE Marking and Certification. This must be provided with each delivery or upon request as required by site.

## Suppliers of Dimensional Stone

- Responsible sourcing of natural stone / primary aggregate products must be evidenced through compliance with a recognised responsible sourcing scheme (e.g. BES6001), certified by a third party. We expect suppliers to be active members in either the Ethical Trading Initiative (ETI Stone Group), TFT Responsible Stone Program, or the United Nations Global Compact and to be members of the Stone Federation GB.
- Products supplied should therefore be able to show a clear chain of custody from source to point of use. EU sourced stone will have the appropriate CE Marking and Certification provided with each delivery.
- All commercially exploited (UK) primary aggregate shall include the current HMRC aggregate levy charged at the appropriate rate where applicable.

## Suppliers of Recycled Aggregates

- Suppliers of recycled aggregate must be in full compliance of the duty of care requirements of the Waste Management Regulations or the WRAP Quality Protocol. Delivery documentation shall state that the product was produced under a quality protocol". The key requirements of the Quality Protocol are that aggregates must be produced under a factory production control system (quality management system) for them to be considered as non-waste products. There should be a quality system in place, test results – not just recent, should include back log over past year and demonstration of frequency and a quality plan in place.
- The Quality Protocol includes the following main requirements:
  - I. Definitive list of acceptable waste input materials
  - II. Aggregates produced to a European (EN) standard or other recognised specification e.g. Highways Agency Specification for Highway Works
  - III. Quality controls for inspection and testing and dealing with nonconforming products
  - IV. Good practice for transporting storing and handling recycled aggregates.

**Recycled Aggregates – Key Watch Points**

- Producer must be able to provide a copy of their Factory Production Control Manual. This applies to imported recycled aggregates and aggregates produced on site.
- Waste acceptance procedures must be defined and responsible persons identified.
- The material produced must conform to one of the standards listed. A formal inspection and testing plan should be defined with sampling, test methods and testing frequencies specified.
- Testing results must be provided to demonstrate compliance with the appropriate standard.
- Sites receiving recycled materials must ensure delivery documentation includes: A clear product description and specification; and a statement that the material has been produced in compliance with the Quality Protocol (the statement of compliance with the Quality Protocol can be included on invoices or on an initial quote).

**Suppliers of Volatile Organic Compounds (VOC) Products (Paints, Sealants, Adhesives**

- In the case of unhealthy materials, as far as is reasonably practicable, the Supplier or Subcontractor shall substitute the material for a healthier alternative.
- Preference to products / materials where treatment applications are applied off site

Material/Product	Limits of VOC, Formaldehyde and other Emissions
Form release agents	· 350g/l VOC content <b>OR</b> water based
Gloss paint for external or high wear use	· <50% VOC content <b>OR</b> Accredited under the Finnish M1 label
Primers	· <50% VOC content <b>OR</b> Accredited under the Finnish M1 label
Sealants	· Water based <b>OR</b> Accredited under the German Blue Angel Eco-Labeling Scheme
Particle boards, Fibreboards, MDF and Plywood.	· Zero-formaldehyde boards · Isocyanate bound boards · Accredited under BS EN 13986:2002 · <b>OR</b> accredited under the German Blue Angel Eco-labelling Scheme · <b>OR</b> accredited under the Nordic Swan Eco-labelling scheme

**Suppliers of Heavy Metals and Brominated Fire Retardants**

- Suppliers and Subcontractors shall, as far as is reasonably practicable, minimise the concentrations of heavy metals and brominated fire retardants in products and packaging being supplied.



- The level of certain heavy metals and brominated fire retardants in electrical and electronic equipment is controlled by the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment Regulations 2006 (as amended).
- The level of certain heavy metals in packaging is controlled by the Packaging (Essential Requirements) Regulations 2003 (as amended).
- The total content of the heavy metals Cadmium, Hexavalent Chromium Lead and Mercury in packaging or in any packaging components must not exceed 100ppm.
- Suppliers and Subcontractors shall keep details on the substances and materials associated with products and services supplied.

## Other Materials

- Suppliers and Subcontractors must source products and materials responsibly, taking into account environmental and social impacts and where applicable ensure they are compliant with recognised and credible standards for ethical sourcing i.e. BES6001 or as otherwise defined by Balfour Beatty
- Suppliers and Subcontractors should avoid supplying or using materials with a high environmental, social, health or reputational risk, or those that are likely to be limited due to forthcoming legislative requirements.
- Where possible Suppliers and Subcontractors should provide declarations on the embodied impacts of their products, by reference to bespoke Environmental Product Declarations (EPD) or documents such as the BRE Green Guide to Specification or other credible Life Cycle Analysis based tool.

# 7. Speak Up

If our suppliers or sub-contractors see something which is not in line with the Balfour Beatty's Code of Conduct or other Policies, they are encouraged to use our Speak Up Helpline. We recommend that our Tier 1 suppliers include it in their downstream supplier requirements. Working together we can prevent causes of non-compliance in our business and supply chain.

## About the Speak Up Helpline

The Speak Up Helpline is an external service administered by an independent company. It is provided on behalf of the Balfour Beatty Group, not your business, so impartiality and confidentiality are assured. You will be able to speak to someone who is a good listener and is trained to high professional standards, or you can raise your concern or question via the dedicated website, telephone hotline or through a Manager Report form via the company intranet. When you use the helpline you'll be asked if you want to disclose your contact information. If you say yes, this information may be recorded in a database. Where applicable by law, you will have a right of access to any personal information about you

that is held or processed by or on behalf of Balfour Beatty plc. **Speak Up Helpline: 0800 028 0822**  
[www.balfourbeattyspeakup.com](http://www.balfourbeattyspeakup.com)

## 8. Definitions

**Embodied water** – The volume of water used to produce a product, throughout the supply chain from cradle (raw input materials) to gate (finished product).

**Embodied carbon** – The carbon footprint of a material, including all greenhouse gases (GHGs) released throughout the supply chain from cradle (raw input materials) to gate (finished product).

**Circular Economy** – keeping resources in use for as long as possible, extracting the maximum value from them whilst in use, then recovering and regenerating products and materials at the end of each service life.

## 9. Useful Links

**Balfour Beatty** important documents for suppliers

<https://www.balfourbeatty.com/how-we-work/supply-chain/important-documents-for-suppliers/>

**Stronger Together** is a multi-stakeholder business-led initiative aiming to reduce modern slavery particularly forced labour, labour trafficking and other hidden third-party exploitation of workers.

<https://www.stronger2gether.org/construction/>

**Supply Chain Sustainability School** is for everybody working in the Construction, FM, Homes and Infrastructure sectors, providing training on sustainability including Waste & Carbon, Fairness Inclusion and Respect and The Modern Slavery Act.

<https://www.supplychainschool.co.uk>

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