

BAM Nuttall

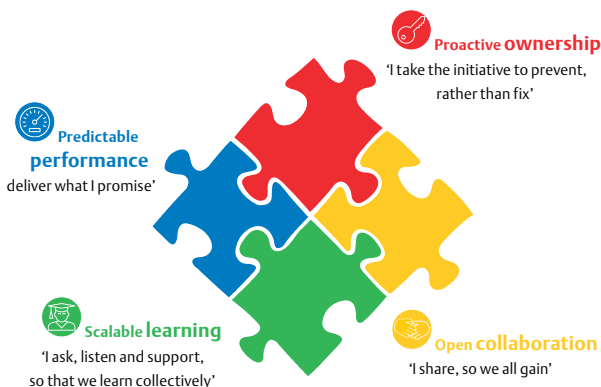
Modern Slavery Statement 2018



BAM Nuttall Ltd Modern Slavery Transparency Statement 2018

This statement, which is made on behalf of the BAM Nuttall Ltd board, for the calendar year 2018, 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.

This statement applies to BAM Nuttall Ltd and its subsidiaries and has been developed in collaboration with our sister company BAM Construct UK Limited.



Our business and values

BAM Nuttall Ltd is a part of the Royal BAM Group a construction and civil engineering enterprise operating in Europe and internationally that has more than 20,000 employees. BAM Nuttall Ltd employs in excess of 2,800 direct employees in the UK. We operate primarily in the UK and collaborate with all parts of the wider BAM Group on many topics, including ethical and responsible business practices.

Our business is organised into 7 business units and we operate in nine sectors. More information about what we do can be found at:

<http://www.bamnuttall.co.uk/pg/whatwedo>

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.

The BAM values are the guiding principle by which we conduct ourselves and our business which helps to build sustainable success. They are present in the way we are tackling modern slavery.

We strive to enhance people's lives across communities where we operate. This includes the way that BAM is involved in tackling modern slavery within the civil engineering industry – going above and beyond what we are asked to do to help make a difference.

BAM Nuttall 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, that we source goods and services responsibly, that we promote and strive for transparency and that we 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.

Supply Chain

Our Supply Chain Purpose is 'To create and maintain ethical and sustainable collaborative relationships with supply chain partners, embracing core BAM values, which generate mutually beneficial outcomes through early engagement and market leading delivery on projects'.

Our supply chain is large due to the complexity, work scope and the geographical spread of our projects. To meet our customers' needs we have a diverse supply chain and in 2018 we worked with some 4000 vendors. This comprises approximately 2500 suppliers, 1400 subcontractors and 100 plant hire companies. BAM Nuttall spent about £380m directly with the supply chain in 2018 but as many of our major infrastructure projects are delivered with the help of Joint Venture partners our true supply chain spend was considerably more. In general terms our supply chain spend represents approximately 80% of BAM Nuttall turnover, this clearly demonstrates the importance of our supply chain and we endeavour to work with a supply chain that has similar values to ourselves.

Of further significance is that 25% of supply chain spend was with our BAM Link vendors. BAM Link is an agreement with our preferred vendors which provides a commitment to collaborate to work more closely together in a strategic manner and to have a common focus on ethical business.

Whilst we recognise the potential impact that modern slavery may have on our complete supply chain and their individual suppliers we are initially concentrating our efforts on BAM Link vendors as they account for so much of our supply chain spend.

We have BAM Link agreements with both suppliers of materials and goods and with subcontractors:

Materials and Goods

We consider ethical and sustainability criteria when sourcing materials and goods and work with our customers 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 / produced material.

This includes timber to FSC / PEFC standards and 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.

Our [Sustainable Business Policy](#) and [Ethical Business Policy](#) outlines our commitments and minimum requirements to procurement and how we conduct our business.

Subcontractors and service providers

We also subcontract to specialist trade subcontractors, temporary labour and staff providers, design consultants and other specialists to service our business needs, working across different parts of the business spanning a wide range of skill levels. Specialist trade subcontractors will often source and supply their own materials and goods. In such cases we insist on sustainable and ethical standards that comply with our policies.

Hotspots and risks of exploitation

Following an internal assessment carried out to identify what we perceived to be high risk areas of spend we carried out a spend analysis to highlight potential risks and we engaged Action Sustainability to help us and BAM Construct UK to validate and prioritise categories to concentrate our efforts.

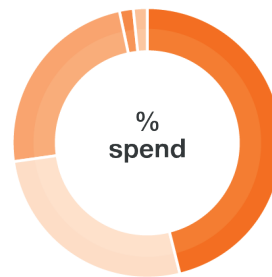
The key risks identified are where there may be exposure to low skilled or migrant labour and contractor supplied materials or materials sourced from outside of the EU. An initial five categories of spend have been identified for further assessment and engagement.

Although we are focusing on these five categories we recognise that there may be various levels of risk that apply throughout our supply chain.

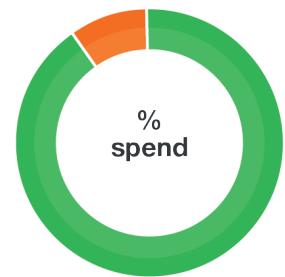
What we have achieved and what we are focusing on next

We require all BAM Nuttall employees to be aware of modern slavery and ask them to report any suspected incidents of unfair treatment either within our business or within our supply chain.

We collaborate with BAM Construct UK 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.

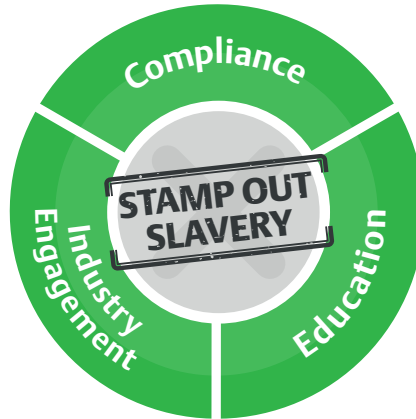


- Temporary labour
- Operated plant
- Temporary staff
- Mobile crane hire
- Fencing works



- Higher risk potential
- Low / medium risk potential

What we did in 2018 and what we plan to do in 2019



Compliance

2018

Action Sustainability carried out a GAP analysis against ISO20400, focusing specifically on the issues of Modern Slavery. This involved reviewing our policy and strategy, procurement processes, category spend and profile to identify exploitation risk. A number of recommendations were made which have helped form our Action Plan for 2019 and future strategy.

“BAM have approached the need to address Modern Slavery with thought, heart and with a genuine aim to make changes in the organisation that will prevent it from happening and supporting victims. Their thinking has followed government advice and whilst some published information is slightly vague in nature this is more an indication of the stage they are at in the journey.”

Helen Carter, Action Sustainability

2019

- We will review our audits of labour suppliers. Checks include right to work and that the correct payment is being made directly to the employee’s bank. We will examine how we will include more specific Modern Slavery checks in our audit plan.
- We require our subcontractors to complete Builders Profile registration. This requires them to answer questions on modern slavery and that they comply with legislation. Additionally, the Builders Profile questions will be extended to encourage the use of the Supply Chain Sustainability School modern slavery e-learning module.
- We will review the requirement for all our suppliers, in addition to our subcontractors, to complete a Builders Profile registration.

Education

2018

- Communication, training and engagement is a priority. During 2018 we started to develop e-learning and tool box talks but there is further work to do, as recommended by our ISO20400 GAP analysis.
- We met with operational staff to understand the most effective way to communicate with staff and supply chain. The outcome of these discussions formed the basis of the training and awareness.
- Three collaborative workshops were held with BAM Construct and Action Sustainability to review actions and recommendations from the GAP analysis.
- Modern slavery awareness was promoted as part of supply chain annual reviews and at supply chain conferences. We held 8 supply chain forums.

2019

- To further develop our training plan. This will comprise face to face training, e-learning and tool box talks as appropriate. We will discuss how to best deliver this with our project focus group to ensure that it is most effective.
- To promote the supply chain sustainability school to our supply chain, with a focus on utilising the resources on modern slavery.
- We will monitor completion of training in accordance with the training plan and identify where improvement is required.



Supply Chain forum

Industry Engagement

2018

- We signed up to The Construction Protocol, to work in partnership 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 work with our key vendors to establish long term and collaborative relationships to mitigate risks. We will continue working with our peers, suppliers, customers and regulators to share information and intelligence to improve ours and wider understanding of where risks of modern slavery lie.
- We attended the Stronger Together 5 year anniversary event on Modern Slavery which led to us meeting directly with Stronger Together to discuss how we may support each other going forward.

2019

- Build on our supply chain risk assessment carried out to date, focusing on high risk trades and materials.
- Develop an engagement program for those subcontractors identified as high risk to date.
- Develop a reporting programme to demonstrate the progress of our engagement with our subcontractors identified as higher risk.

Summary

BAM Nuttall remains fully committed to **'stamp out slavery'**.

Our people are fundamental to our success. We strive to create greater awareness of modern slavery so that our people can help **'stamp out slavery'** not only within our business but within society at large.

Our supply chain is an intrinsic part of our business and as such it is essential that all our suppliers and subcontractors are committed to working with us to **'stamp out slavery'**.



Due Diligence

We have appointed the Company Secretary as our Compliance Officer, a role that includes a responsibility to our Board for overseeing compliance with the Modern Slavery Act and annual preparation of the Modern Slavery Act Transparency Statement. Our Business Process and Quality, Human Resources and Procurement departments are also involved with ensuring the robustness of modern slavery and human trafficking compliance within BAM Nuttall.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our slavery and human trafficking statement for the financial year ending 31st December 2018.



Steve Fox
Chief Executive
BAM Nuttall Ltd
25 June 2019

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