

Would I be happy reading about it in the newspapers?



Is it consistent with our values and our code?



# How we work, what we value

**Integrity** | **Teamwork** | **Excellence** | **Respect**

## Our code of conduct

for our sub-contractors, suppliers and partners

Am I personally comfortable with it?



Is it legal?



**Balfour Beatty**

# Hello

When someone else asks you to comply with their code of conduct, it can seem like an imposition – especially if you have worked hard to develop and embed your own. We hope you will see this booklet in a different light.

We want there to be no doubt about how we will always operate; no doubt about how we will treat people wherever we work; and no doubt about the things we will not do or be a part of. But that certainty cannot come just by codifying a set of rules and requirements. Situations and circumstances will always arise that seem to lie outside the rules, or appear “open to interpretation”.

That’s why this booklet also sets out what we value as a company. These values define who we are, how we work, and what we stand for. They also tell us what we expect of ourselves and all who work with us. They lie at the root of our code.

We appreciate that many of you who work with us have developed your own values to guide you in the work-place, so we don’t ask you to share ours. We do ask that you respect them, and understand that we have made a fundamental commitment to work only with those whose standards are consistent with our own. Our code sets out what this means both in terms of specific requirements, and the underlying principles that govern them.

But a code of conduct is a two-way street. So this booklet also makes clear what you can expect from us: the commitments we make to you, and the support and protection we will give you for doing the right thing and challenging practices or behaviours that fall short of the standards and values we adhere to.

If you find us falling short, please tell us.  
We will always support you for doing the right thing.

# Who our code applies to

This code is a shorter version of the code of conduct we have developed for all our employees, in which we set out more fully how we work and what we value as a company.

## **Us**

We expect all members of the Balfour Beatty Group, and all the Group's full-time and part-time employees and temporary staff at all our business locations around the world to apply our code thoughtfully and consistently.

## **You**

We are also committed to working only with business partners whose standards are consistent with our own, and who respect our values. This includes joint venture and alliance partners, customers, sub-contractors, consultants and all suppliers of goods and services.

## **Your Supply Chain**

When you work with us, we expect you to demand these same standards of your partners, sub-contractors, consultants and suppliers.

So our code applies to all of us, and complying with it is an expectation we have of everyone we work with.

What we expect of you  
we also expect of ourselves.

# Why values and ethics matter

Our reputation is a vital business asset. So is yours. It underpins our ability to operate around the world. It gives customers, employees, partners, sub-contractors, suppliers, investors and the many communities we serve confidence in us. Compliance with this code protects our reputation and commercial interests.

But there's even more to it than that. Our code sets out the things we stand for and insist on. It's there to ensure we all operate not just legally, but ethically and fairly, and never fall short of the standards we set for ourselves. It gives us all a clear framework within which to make decisions, and provides the foundations on which we build, protect and enhance the relationship we have with all our stakeholders. So wherever we work, we are trusted.

That's why our code isn't just a set of "rules" – it's an approach to working that asks us always to do the right thing. We ask that of you too.

Please apply your good judgement to the principles set out here. If in doubt, ask yourself "Is this right?" and "Is this what Balfour Beatty stands for?" And, as with our own people, I urge you to challenge any unethical, dishonest or questionable behaviour – in your organisation and ours – and speak up when you see things that fall short of the standards we set ourselves.

In that way, every one of you can be a living part of the collective reputation we uphold for integrity, teamwork, excellence, and respect.

Our reputation depends on you –  
what you decide, what you do.



Ian Tyler, Chief Executive, September 2011



# 10 commitments we make to each other

In our business dealings we:

1. Value integrity, teamwork, excellence and respect.
2. Are honest and transparent.
3. Support diversity and treat everyone equally.
4. Select and reward people and organisations based on a fair objective process, clear expectations of what is required and demonstrated competence for the job.
5. Regularly, fairly and openly evaluate our own performance and the performance of others.
6. Meet our obligations of responsibility and trust.
7. Keep our promises and fulfil the commitments we make openly, honestly and promptly.
8. Work to resolve disputes at the earliest stage and in a manner consistent with this code.
9. Communicate truthfully, clearly, regularly and punctually.
10. Go the extra mile to deliver.

If in doubt, ask yourself:

- Is it legal?
- Is it consistent with our values and this code?
- Am I reasonably comfortable with it?
- Would I be happy reading about it in the newspapers?

# What we value

Our values help to define what we stand for.

## 1 Integrity



We always do what is right.

We are fair and open with everybody

We do not walk past what is wrong or unsafe

We keep our promises

We support everyone for doing the right thing

## 2 Teamwork

We are better together.



We listen to each other and share knowledge enthusiastically

We willingly combine our expertise

We work at creating excellent relationships

We act as if we are part of a bigger picture

## 3 Excellence



We strive to improve and exceed expectations.

We go the extra mile to deliver

We do not tolerate underperformance in ourselves or in others

We will not compromise on safety or quality

We constantly look for innovative and creative solutions

## 4 Respect

We appreciate others and care about the wider communities.



We care about how our actions affect others and the wider environment

We treat everyone equally and embrace difference

We encourage everyone to achieve their maximum potential

We appreciate the skills and abilities of others

## Bribery and corruption

We seek to avoid even the appearance of wrongdoing. It is better to miss out on the business or lose money.

### Our principle

**We refuse to offer, give or receive bribes or improper payments, or participate in any kind of corrupt activity, either directly or through any third party.**

**Bribery** is offering, providing or receiving something of value – including cash, gifts, hospitality or entertainment – as an inducement or reward for something improper. Usually, but not always, it's to obtain or retain business or some other illegitimate advantage. Bribes are against the law and against our code, no matter what "local custom" may be.

**Facilitation payments** are usually small payments or gifts generally made to junior or low-level public officials in order to speed up or "facilitate" actions the officials are already duty-bound to perform. They can appear "harmless" – part of "the way things are done round here". However, these payments are illegal in most countries in which we operate.

**Corruption** involves any of these activities: bribery, extortion, fraud, deception, collusion, cartels, abuse of power, embezzlement and money laundering.

### Working with us:

Never offer, give or receive bribes, or make or accept improper payments to obtain new business, retain existing business, or secure any improper advantage. And never use or permit others to do such things for us. This includes any type of facilitation payment, large or small, even where such payments are perceived as a common part of local business practice or acceptable under local law.

The help, advice and local knowledge of agents and other consultants or contractors can sometimes be essential. However, we require them to operate at all times in accordance with our standards, particularly in relation to bribery and corruption.

We have been invited to tender for a big project. You are the project leader. It promises to be a keenly fought contest. A senior manager at the client hints that he can help you win the tender if you reach an "agreement" with him.

### What do you do?

Always tell us about any attempt to bribe you or solicit bribes from you, and any suspicions you have about bribery and corruption.



## Gifts and hospitality

Is it a gift or a bribe? Is it hospitality – or persuasion?

Would you be happy reading about it in the newspapers?

### Our principle

**We make sure gifts or hospitality at work are reasonable, and we never offer or accept them if it may improperly influence a business decision or impair independence or judgement.**

**Gifts and hospitality** include invitations to social functions, sporting events, meals and entertainment, gifts of low value, small or customary tokens of appreciation.

To foster goodwill or enhance business relationships, employees may occasionally receive or offer any of these things in connection with our business.

Any gifts or hospitality received or given in connection with business should always be customary and reasonable in terms of value and frequency.

### Working with us:

In principle, there is nothing wrong with genuine relationship-building gifts or hospitality. Use your judgement and good sense – and if in doubt, always ask. Never try to influence others through such means, or solicit gifts or hospitality, or offer or accept gifts of cash or cash equivalent (e.g. vouchers).

We don't want suppliers or other third parties trying to influence or pressurise us or others, or giving us things that may create a sense of obligation or that could be misconstrued or misrepresented by others. And we don't want you to be influenced or pressurised in turn through the acceptance of inappropriate gifts or hospitality. If someone tries to do this to you, always tell us.

We require our staff to record on a register all gifts and hospitality given or received by them.

A supplier who wants to do business with you says, "Let me take you to lunch." What do you do?

What if it's a case of champagne?

What if it's a football match? ... The Final? ... In Paris (weekend included)?

Where do you draw the line?



## Fraud, deception and dishonesty

Even a "minor" fraud case can destroy our reputation.

### Our principle

**We will not defraud or deceive anyone or act dishonestly, and we will protect the company against fraud.**

**Fraud** Though precise definitions vary from country to country, fraud always involves deception and dishonesty. It's fraud when you deliberately try to deceive someone, act dishonestly or abuse your position to gain any kind of material advantage, or use or involve anyone else to do so. Fraud is usually carried out for profit, or to obtain money, property or services unjustly. It can involve defrauding the company or a third party. It is a criminal offence in most countries.

In some countries, like the UK and US, you can in certain circumstances be prosecuted just for being careless or reckless in letting it happen, even though you didn't deliberately set out to commit fraud yourself.

### Working with us:

Never knowingly seek to gain any advantage of any kind by acting fraudulently, deceiving people or making false claims, or allow anyone else to do so on your or our behalf. This includes defrauding or stealing from the company, a customer or any third party, and any kind of misappropriation of property.

Always act honestly, fairly and openly, carefully checking or inspecting things that are your responsibility.

**If you suspect something might involve fraud or deception, never ignore it.**

You've had a difficult client. His obstructive behaviour through the project has wiped out any margin. Now a colleague is about to submit a claim for additional payment. You ask if it's accurate. Your colleague replies, "It redresses the balance".

Isn't that only fair?



## False claims

False claims can be fraud – even if supported by the client

### Our principle

**We will not claim for something we don't honestly believe we are entitled to, and we will support all claims with transparent documentary evidence.**

**False claims** This kind of fraud also includes knowingly or recklessly misrepresenting or inaccurately recording time spent or materials or services provided, and concealing defects or fabricating evidence – even if the client requests or supports what we are doing.

### Working with us:

We need to know that no one is submitting false claims. So we insist on complete transparency and documentary evidence, require assessments to be as reasonable and accurate as possible, backed-up and substantiated, and that particular care is taken when calculating and claiming or applying for payment, extension of time, loss and expense, variations, interim and final estimates, valuations and measurements. In return, we will treat your claims fairly and honestly.

If you think something might be wrong, it probably is.

A checklist for claims:

1. Have you claimed only what you are entitled to?
2. Have you been honest and transparent?
3. Are all aspects of the claim backed-up by documentary evidence?



## Open and fair competition

Losing our reputation for integrity by trying to gain unfair competitive advantage is the worst deal we can make.

### Our principle

## We believe in open and fair competition and only seek competitive advantage through fair and lawful means.

**Competition and anti-trust laws** Over 100 countries around the world have developed competition or anti-trust laws. They prohibit a variety of business practices that restrict free and fair competition, such as bid rigging, price fixing, cover pricing or market sharing. They differ by country and can be very complex.

Violations of such laws are very serious, and can result in significant fines and other penalties, including debarment. Individuals can face prison.

You receive by mistake a copy of a bid another of your clients is about to submit in competition with Balfour Beatty. Your colleague suggests that forwarding it to Balfour Beatty would improve your chances of winning work for Balfour Beatty in the future.

### Is he right?



### Working with us:

We want to compete in a marketplace that is fair, open and honest, and we want everyone to know this is how we will always behave. Our policy is to comply with competition and anti-trust laws wherever we do business, and we expect you to do the same. Companies that compete fairly and aggressively are companies who will survive and prosper even through tough economic times. We want to work with strong suppliers and partners who succeed on the merits of their service offering, not by resorting to unfair tactics to gain improper advantage.

Never share with us:

- Information you receive from or about our competitors or their bids.
- The bids you make to our competitors.

You suffer too if we have to withdraw from a bid as a result.

Always:

- Report anti-competitive behaviour if you see it or suspect it.
- Return immediately any confidential information you should not have received.

## Human rights

We refuse to do business with any organisation that violates these standards and principles.

### Our principle

## We respect and protect human rights

**Human rights** The United Nations Universal Declaration of Human Rights proclaimed certain fundamental rights and freedoms. These include the right to life, liberty and security; equal rights of men and women; the right to protection under the law and against discrimination, slavery, servitude, torture, or inhumane or degrading treatment; and freedom of speech, thought, conscience and religion.

You've been using a sub-contractor very happily in the project you're managing. Then you hear of allegations that he's employed illegal immigrants, paid foreign workers less than the minimum wage, and required them to work excessive hours.

### Working with us:

Wherever we work in the world we ensure that we do not exploit anyone. We uphold the rights of all those who work for or with us, and of the communities in which we operate. We refuse to do business with any individual, company or organisation that violates the standards and principles of basic human rights, or has links with an oppressive regime that give us cause for concern.

We therefore require that you share our commitment to respecting, protecting and promoting:

- All the principles set out in the United Nations Universal Declaration of Human Rights and the UN Global Compact initiative.
- The International Labour Organisation's standards regarding child labour and minimum age.
- The principles of this code concerning the rights of everyone who works for or with us, or who is impacted in any way by our activities.

What do you do?



# Our commitments to those we employ

We will provide:

- A safe, healthy and supportive working environment where everyone can flourish equally, without fear or favour.
- Equal opportunities for all based on talent and merit.
- Respect for the rights and dignity of everyone.
- Protection from exploitation.
- Compliance with national legal requirements regarding wages and working hours.
- Support and protection from retaliation for those who challenge in good faith behaviours that do not comply with these commitments and the principles of our code.

We expect this from you too.

## Harassment, bullying and discrimination

We will support and protect our staff and you.

### Our principle

**We do not tolerate any kind of harassment, bullying or discrimination against anyone who works for us or with us.**

**Harassment and bullying** refer to any action or behaviour that any individual or group finds humiliating, intimidating, threatening, violent, hostile or discriminatory. We should all be particularly sensitive to actions that may be acceptable in one culture, but are not in another.

**Discrimination** means treating a certain person or group differently according to factors such as their age, race, religion, national or ethnic origin, colour, gender, sexual orientation, gender reassignment, marital status, disability unrelated to the task in hand, union membership or political affiliation.

### Working with us:

We are committed to creating a working environment in which everyone is respected and can flourish equally, without fear or favour. We do not tolerate behaviour or attitudes that support coercion, intimidation or discrimination.

Whenever and wherever we observe such behaviour, we challenge it and support others who do so.

We expect this of you too.

A manager makes an inappropriate remark in front of a female colleague in a meeting.



Say nothing?

## Health and safety

Working together, we can keep everyone safe from harm.

### Our principle

**We believe that nothing is so important that it can't be done safely. We only work with those who share our goal of Zero Harm, insisting that everyone is involved, informed and engaged.**

**Zero Harm** Nobody should ever be at greater risk because they work for or with us. Everybody has the right to go home in the same state as they come to work, and members of the public should never be harmed by anything we do. So we have set ourselves the goal of achieving Zero Harm.

By "Zero Harm" we mean Zero deaths, Zero injuries to the public, and Zero ruined lives among all our people and their families.

We expect everyone, everywhere, every day to work towards Zero Harm.

### Working with us:

Zero Harm must involve all of us. So we require that everyone who works for or with us:

- Embeds health and safety as core elements in all they do.
- Takes a lead in requiring and delivering excellent health and safety.
- Works with us to eliminate the risk of serious harm from all our activities.
- Upholds and promotes our policies and expected behaviours.
- Is intolerant of unsafe behaviour, short cuts and unplanned work.
- Supports those who challenge these unsafe practices, and holds people to account if they don't conform.
- Insists that everyone is involved, informed and engaged.
- Challenges, learns and innovates to reduce risk.
- Reports potentially unsafe incidents and injuries, and investigates fully to learn lessons.
- Comes to work in a fit condition to perform their job, free from the influence of alcohol or illegal drugs.

You are responsible for plant procurement on a new construction project. One supplier of excavators is significantly cheaper, but many of the excavators he supplies are nearly ten years old.



Safe enough?

## Respecting the environment

We want our activities to impact on the environment in positive ways.

### Our principle

## We care about the natural world and recognise our responsibility to work within environmental limits.

**Sustainable development** We know the world's resources are finite. We also recognise that sustainable development – particularly of public infrastructure – is vital to maintain and improve the standard of living in the countries in which we operate. It is our responsibility to do all we reasonably can to reconcile these two statements. So we have set our own ambitious 2020 vision and road map for a sustainable future, which involves an increasing and progressive series of commitments relating to profitable markets, healthy communities and environmental limits.

You've completed a study that confirms a best practice approach to protecting the environment during the build, and for enhancing affected habitats once the project is complete. But the client is not prepared to bear the costs and demands a compromise solution.

### How to proceed?



### Working with us:

Sustainability is too big and too important for any one company or organisation to tackle alone. We therefore expect all our suppliers, sub-contractors, consultants and partners to identify and implement actions they can take to help us achieve the sustainability goals set out in our 2020 vision and roadmap. These include:

- Maximising the use of local labour and suppliers.
- Measuring, understanding and minimising their own greenhouse gas emissions, and use of water and natural resources in all the activities, services and products they supply to us.
- Applying lifecycle thinking to the provision of lower impact products, materials and services.
- Reducing and ultimately avoiding the disposal of waste to landfill.
- Providing major construction materials with high recycled contents.
- Ensuring major construction materials are sourced from recognised responsible sourcing schemes (for all timber this means FSC or PEFC or equivalent certification).

### How well are we caring for our world?

Our 2020 vision and roadmap, along with latest information on our environmental policies, commitments and performance can found at: [www.balfourbeatty.com](http://www.balfourbeatty.com)

## Respecting communities

We listen, we care about people's concerns, we act on them wherever and whenever we can.

### Our principle

## We respect the communities around us.

**Balfour Beatty** contributes positively to communities wherever we work through the services we provide and the lasting infrastructure we leave for the public, such as schools, hospitals, other social infrastructure and transport systems.

You've won a massive contract. It will involve setting up a depot in a residential area with potential for noise and disruption. A local action group has been created and asks you to attend a public meeting.

### Working with us:

We believe that profit must not come before healthy communities, so we do our utmost to ensure the interests of communities are heard and met.

Our commitments to every community in which we work:

- We respect the traditions, cultures and laws of the countries in which we operate.
- We take into account the concerns of the wider community, including both national and local interests.
- We listen to the concerns of local communities and wherever we can act to mitigate them to the very best of our powers.
- We keep the communities affected by our projects regularly updated and informed.
- We seek to employ local people on our projects wherever possible.

We expect you to join us in these commitments when we work together.



Should you attend?

# What to do if you have a serious concern

If you have a serious concern that something may not be consistent with this code, please speak up. We encourage you to raise any concerns or questions you have in confidence, and we value the information that you can provide. We will always support you for doing the right thing. We will not tolerate any retaliation or discrimination of any kind against anyone who has raised something in good faith.

All issues are treated seriously. We will follow them up conscientiously, discreetly and without bias. Anything you raise will be treated confidentially and communicated on a need-to-know basis only.

## How to raise your concern

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

If you believe the matter cannot be handled appropriately in this way, you can contact our Ethics Helpline. You can access this service via the internet at [www.bbethicshelpline.com](http://www.bbethicshelpline.com), where you will also find a freephone (toll-free) telephone number, in case you prefer to speak to someone by telephone. If necessary and the laws of your country allow it, you can raise concerns anonymously.

**What is the Ethics Helpline?** The Ethics Helpline is an external service administered by an independent firm on behalf of the Balfour Beatty Group, so impartiality and confidentiality are assured.

When you use the helpline you will be asked if you want to disclose your contact information. If you say yes, this information may be recorded in a database. You have a right of access to any personal information about you that is held or processed by or on behalf of Balfour Beatty plc.

Hand on heart, you know  
when something isn't right.



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