



# DELIVERING TOGETHER

UK SUSTAINABILITY REPORT  
2014



WE DELIVER SERVICES  
ESSENTIAL TO THE CREATION  
AND CARE OF INFRASTRUCTURE  
THAT UNDERPINS DAILY LIVES,  
SUPPORTS COMMUNITIES,  
ENABLES ECONOMIC GROWTH  
AND PROTECTS US FROM THE  
IMPACTS OF CLIMATE CHANGE

# WELCOME

FOR THE FIRST TIME, I AM PROUD TO PRESENT TO YOU A REPORT THAT COVERS ALL OF OUR STRATEGIC BUSINESS UNITS. IT SHOWS HOW WE HAVE CONTINUED TO SHAPE THE DELIVERY OF OUR OPERATIONS AROUND THE SIX GOALS OF OUR SUSTAINABILITY BLUEPRINT: CLIENT FOCUS, LOCAL, EFFICIENT, INNOVATIVE, RESPONSIBLE AND GROWING.

As ever, our clients remain the focus of everything that we do. By shaping the way we deliver around their needs and desires, we have built strong relationships across a diverse range of client groups. Our collaborative approach has led to many of these customers becoming advocates of our business and repeatedly choosing to work with us.

During 2014, we also continued to create significant positive social and economic legacy. To quantify this legacy in meaningful terms we commissioned third party research and can now clearly show the social benefits of working in partnership with Balfour Beatty.

In recognition of the continual strive for excellence amongst our people and supply chain partners, we also held our first innovation awards. This provided the opportunity to share both innovative solutions and best practice across our operations and expand pockets of excellence to become our standard way of working.

Our supply chain are a strategic asset to our business and as such we continued to invest in their sustainability. This included record levels of spend with small and medium sized businesses as well as the roll out of finance and training schemes that will help their businesses to function more efficiently.

Whilst recognising the good work of 2014, we will not rest in our pursuit of creating a truly sustainable business. In support of this goal, we will launch two new programmes in 2015 – Build to Last and Involved. More information on these can be found in the back pages of this report.

Thank you to everyone, both within Balfour Beatty and in our wider group of stakeholders for their continued support on our delivery of our Blueprint for a sustainable business.

**Dr. Paul Toyne**  
Group Head of Sustainability



# OUR PERFORMANCE

ACROSS THE UK, YEAR AFTER YEAR OUR PEOPLE CONSTANTLY INNOVATE TO EXCEED THEIR PREVIOUS PERFORMANCE. THIS DRIVE FOR CONTINUAL IMPROVEMENT IS ILLUSTRATED IN OUR ENVIRONMENTAL PERFORMANCE AND THE AWARDS WE HAVE RECEIVED.



our score on the CDP Climate Performance Leadership index, making us one of only two infrastructure companies listed.

**£4.29M**

of positive social outcomes created for young people in partnership with The Prince's Trust.

**92%**

of our total waste generated in 2014 was avoided from landfill



reduction in Scope 1 and 2 CO<sub>2</sub>e/£m revenue



reduction in waste generated per £m revenue



reduction in waste to landfill per £m revenue



reduction in m<sup>3</sup>/£m revenue of water consumption

ALL FIGURES ARE FROM OUR 2010 BASELINE

## CONSIDERATE CONSTRUCTORS AWARDS:

**2** MOST CONSIDERATE SITE RUNNER-UP

**4** GOLD

**22** SILVER

**10** BRONZE

**£1.6BN**  
SPEND WITH  
**SMEs**

**£5M** spend with social enterprises

### A SELECTION OF OUR AWARDS

UKCG Apprentice Employer of the Year

Construction News Sustainable Project of the Year – M25 J23-27 Smart Motorways

Annual Civic Trust Awards – one winner and five commendations

Construction News Concrete Specialist of the Year

RIBA Scotland Community Benefit and Project of the Year Award for Knockando Woolmill

Aberdeen City Council Children and Young People's Service – Business Links Award

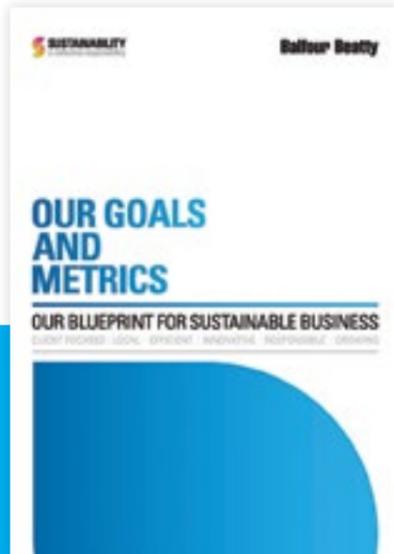
Construction News Commercial Innovation of the Year Award for King Sheet Piling

Six Green Apple Awards

Special Recognition in the Gas Industry Awards Sustainability Category

# DELIVERING THE BLUEPRINT

PROFITABLE MARKETS | HEALTHY COMMUNITIES | ENVIRONMENTAL LIMITS



OUR BLUEPRINT FOR A SUSTAINABLE BUSINESS WAS LAUNCHED IN 2013, BUILDING UPON OUR SUSTAINABILITY JOURNEY THAT WE EMBARKED ON IN 2009. THE BLUEPRINT IS NOW EMBEDDED IN THE WAY WE OPERATE AND ACTS AS A FRAMEWORK FOR THE DELIVERY OF SUCCESSFUL AND SUSTAINABLE PROJECTS.

Based on the three pillars of sustainability: Profitable Markets, Healthy Communities and Environmental Limits, the Blueprint focuses on six key areas that work across the three pillars, they are:

**CLIENT FOCUSED**

Working in partnership with our customers to deliver on every area that makes a project a success

**LOCAL**

Integrating with local communities, businesses and people

**EFFICIENT**

Improving the value we can offer through relentless focus on resource efficiency and best practice supply chain management

**INNOVATIVE**

Finding new ways to solve our customers' problems through technical, commercial and community engagement initiatives

**RESPONSIBLE**

Communicating with our people, our customers and our suppliers and making sure we always make the right decisions

**GROWING**

Supporting the financial prosperity of our business and our customers while ensuring that our people grow and enjoy challenging careers

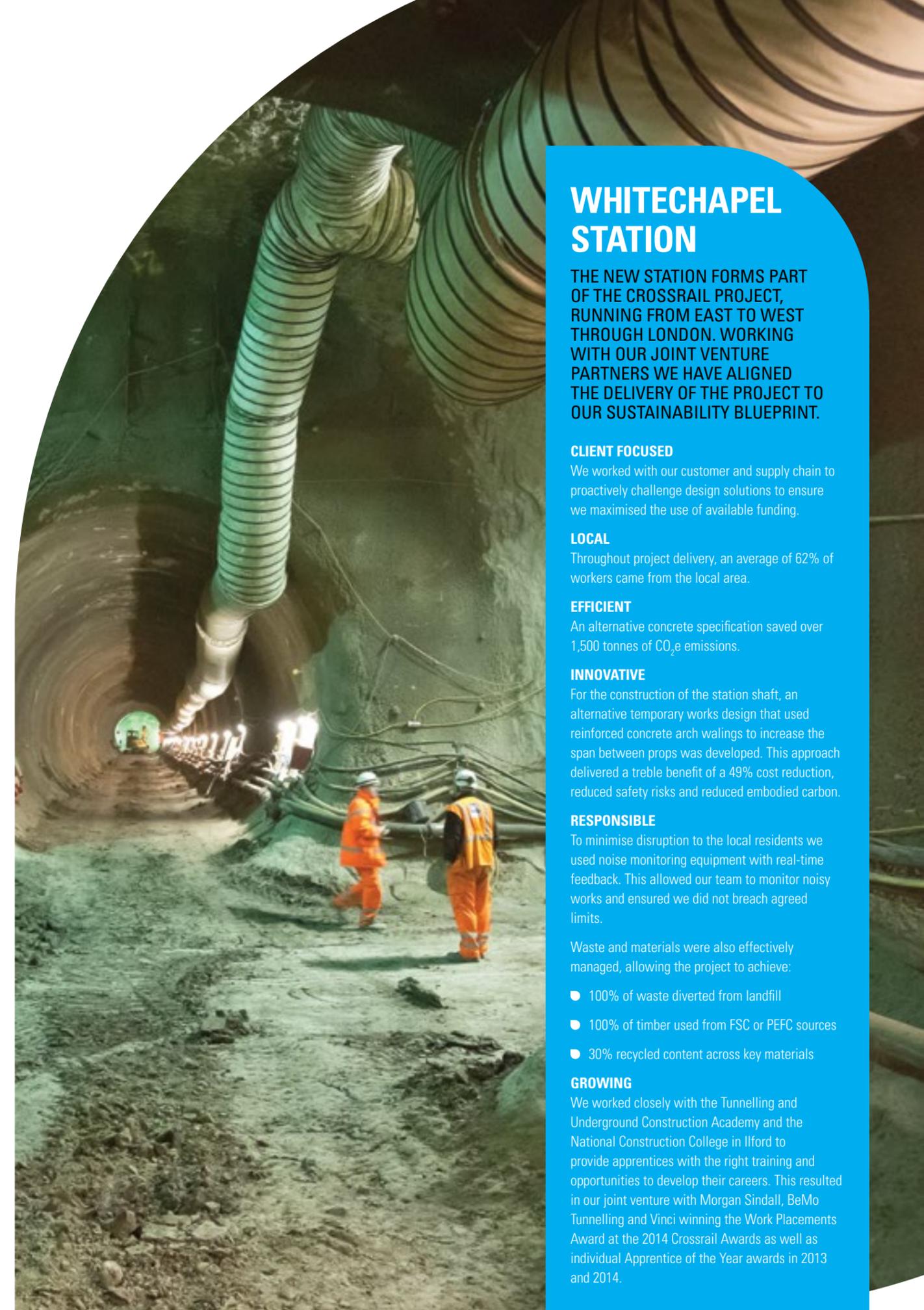
The Balfour Beatty Sustainability Blueprint can be downloaded from [www.balfourbeatty.com](http://www.balfourbeatty.com)

OUR BLUEPRINT IS DELIVERED BY OUR

**19,000**

PEOPLE WHO WORK ACROSS THE INFRASTRUCTURE LIFECYCLE.

**DID YOU KNOW?**



## WHITECHAPEL STATION

THE NEW STATION FORMS PART OF THE CROSSRAIL PROJECT, RUNNING FROM EAST TO WEST THROUGH LONDON. WORKING WITH OUR JOINT VENTURE PARTNERS WE HAVE ALIGNED THE DELIVERY OF THE PROJECT TO OUR SUSTAINABILITY BLUEPRINT.

**CLIENT FOCUSED**

We worked with our customer and supply chain to proactively challenge design solutions to ensure we maximised the use of available funding.

**LOCAL**

Throughout project delivery, an average of 62% of workers came from the local area.

**EFFICIENT**

An alternative concrete specification saved over 1,500 tonnes of CO<sub>2</sub>e emissions.

**INNOVATIVE**

For the construction of the station shaft, an alternative temporary works design that used reinforced concrete arch walings to increase the span between props was developed. This approach delivered a treble benefit of a 49% cost reduction, reduced safety risks and reduced embodied carbon.

**RESPONSIBLE**

To minimise disruption to the local residents we used noise monitoring equipment with real-time feedback. This allowed our team to monitor noisy works and ensured we did not breach agreed limits.

Waste and materials were also effectively managed, allowing the project to achieve:

- 100% of waste diverted from landfill
- 100% of timber used from FSC or PEFC sources
- 30% recycled content across key materials

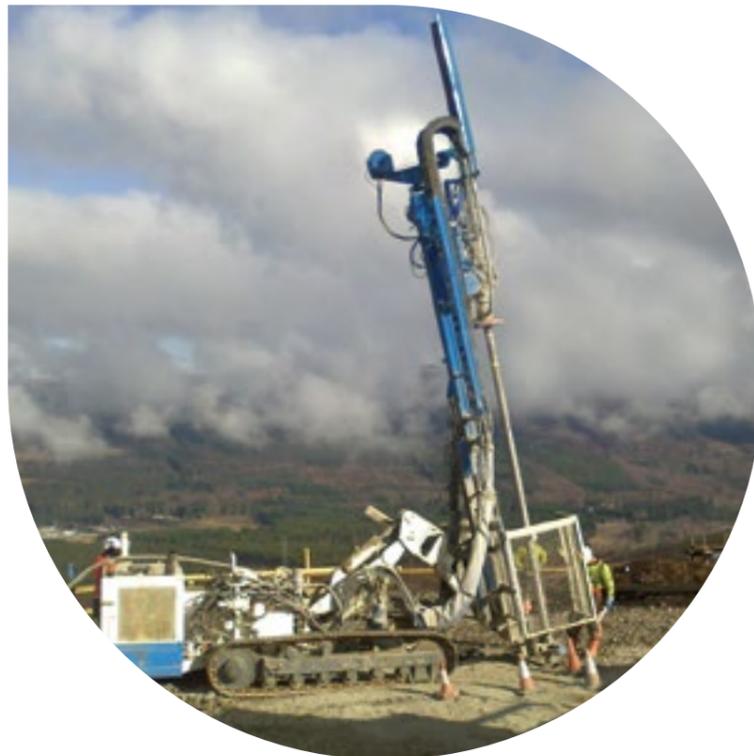
**GROWING**

We worked closely with the Tunnelling and Underground Construction Academy and the National Construction College in Ilford to provide apprentices with the right training and opportunities to develop their careers. This resulted in our joint venture with Morgan Sindall, BeMo Tunnelling and Vinci winning the Work Placements Award at the 2014 Crossrail Awards as well as individual Apprentice of the Year awards in 2013 and 2014.

# DELIVERING THE BLUEPRINT ACROSS THE SCOTTISH HIGHLANDS

PROFITABLE MARKETS | HEALTHY COMMUNITIES | ENVIRONMENTAL LIMITS

THROUGH THE WORKS TO DISMANTLE 733 132kV TOWERS AND CONSTRUCT 539 NEW 400kV TOWERS BETWEEN BEAULY AND DENNY, OUR TEAM HAVE BEEN DELIVERING AGAINST OUR SIX BLUEPRINT GOALS.



## CLIENT FOCUSED

In order to achieve Section 37 planning consent for the works required Scotland's single biggest public enquiry, lasting a year and dealing with over 17,000 objections. Throughout this enquiry we supported our client, Scottish Hydro Electric (SHE) Transmission, in answering the concerns helping to ensure the scheme proceeded.

## LOCAL

Working with SHE Transmission, we assessed the sustainability impacts of the project on the communities that it passes through. By collecting and analysing appropriate data throughout the project we demonstrated the social value created in local communities in tangible terms. Highlights of our findings include:

- £132 million spent in the community through accommodation, fuels, meals etc.
- £108 million spent with subcontractors registered in Scotland
- £7 million spent on employing local people
- £2 million spent with local businesses

## EFFICIENT

Our programme of works was updated weekly. Having the latest information and issuing it to our supply chain helped to efficiently plan the logistics of this huge project. This included the management of over 22,000 tonnes of tower steelwork to make sure it arrived where it was needed on time. To do this we established a holding facility for imported steel to allow project teams to call off the materials as and when required.

## INNOVATIVE

Varying geology and remote locations made the installation of the foundations for the new towers challenging. To overcome these challenges, we revisited the initial design concept and produced an innovative solution that simplified installation and reduced the time taken to deliver the works.

The initial foundation design required a 300mm cage reinforced pile to be inserted into the rock. Through producing an alternative design that uses a heavy Ischebeck bar instead of the cage, we were able to reduce the rock socket diameter to 190mm. This increased the shear capacity and reduced the number of piles required. Overall, the innovative approach of our ground engineering specialists produced:

- An 11 month programme saving
- Approximately £4 million in cost savings
- A reduction of CO<sub>2</sub>e emissions of around 40%

## RESPONSIBLE

Over the lifetime of the project it was estimated that we would produce 6,000 tonnes of waste concrete from small amounts leftover after each pour and washout. To avoid this waste going to landfill we worked with SEPA to come up with an alternative solution. Through allowing the waste concrete to set, we were then able to break it up and add it to sub soil and stone being used on-site.

## GROWING

Despite the rural location of the majority of the project, we were able to use local labour and develop skills in local communities. This included:

- 18 job role experience placements for our graduates
- Nine paid work experience placements for undergraduate students, ranging from three months to one year in duration
- Employment of 70 local staff at any one time and supporting skills development through a joint apprenticeship programme with SHE Transmission

# COLLABORATING TO DELIVER SUCCESS

## PROFITABLE MARKETS



AS A BS 11000 COLLABORATIVE BUSINESS RELATIONSHIP ACCREDITED ORGANISATION, WE MAKE PROJECTS A SUCCESS BY ENGAGING WITH OUR CUSTOMERS TO GET BOTH QUANTITATIVE AND QUALITATIVE FEEDBACK. THIS HELPS US TO DELIVER TO THEIR EXACT REQUIREMENTS, CREATING A 'ONE TEAM' ETHOS AND BUILDING LONG TERM RELATIONSHIPS.

### CENTRO BIRMINGHAM METRO EXTENSION

The Birmingham city centre Metro extension involves constructing 1.4km of new track, through city centre streets, from Snow Hill to New Street Station. The project also includes significant improvements to the public realm.

At the outset of the project our client, Centro, rated us as 'not as good as most' when comparing us to our industry peers. Clearly this was not acceptable and we took steps to find out why our relationship with Centro was not working.

At a meeting between senior leaders from Centro and Balfour Beatty, we quickly realised we had common objectives around effective risk management, programme, cost certainty and stakeholder satisfaction. We also identified that contractual terms were causing commercial tensions and stopping the teams working together to resolve the many technical and logistical challenges of the project.

Following this meeting, we embarked upon a relationship development exercise. This allowed everyone on the team to share their experiences

to date and their hopes for the future. Combined with contractual changes, conversations changed from risk allocation to risk mitigation – allowing better project planning and delivery as everyone worked as one team.

Working collaboratively with Centro to overcome these challenges has resulted in them now rating us as 'one of the best'.



*There has been a vast improvement in terms of relationships and there is a focus on an achievable programme. There has been a chance for us to both achieve mutual benefits out of the project. There have been a number of facilitated workshops to bring together benefits of the project to deliver to expectations.*

**Stuart Evans**  
Metro Delivery Manager  
Centro



## BUILDING CUSTOMER ADVOCACY

REPEAT BUSINESS AND LONG TERM RELATIONSHIPS SHOW THAT MANY OF OUR CUSTOMERS ADVOCATE HOW WE DELIVER FOR THEM. THESE LONG TERM RELATIONSHIPS ARE BUILT ON TRUST AND OUR ABILITY TO CONSTANTLY INNOVATE TO STAY AT THE FOREFRONT OF OUR INDUSTRY AND LEAD TO MORE COLLABORATIVE WORKING.

### NORTH WEST COASTAL PRACTITIONERS

Our collaborative approach has helped build long term relationships through the development and delivery of nine schemes for the neighbouring Blackpool, Wyre, Sefton, Fylde and Lancaster City Councils.

Starting in 2000 with our first project, the complex South Shore Sea Defences Phase 2, we developed a partnering culture with Blackpool Council. Through working closely with the Council, we implemented solutions that reduced project cost and risk. This partnering approach and learnings

from our experiences has been shared with the National Coastal Practitioner's forum to drive continual improvement across the sector.

Following the successful completion of South Shore Sea Defences Phase 2 and eight subsequent schemes, we are now on-site delivering the UK's largest coastal defence scheme for Blackpool and Fylde Councils. On this project, collaboration between all parties has delivered project efficiencies, reduced procurement costs and maximised economies of scale through combining what could have been separate projects.



*The joint efforts of partners in the Fylde Peninsula Coastal Programme have clearly demonstrated that significant efficiencies can be achieved through a joined up approach to local delivery of an ambitious programme of investment on the Fylde coast. The EA hopes that this partnership model can be used elsewhere around the country to achieve similar results in the delivery of coast protection works and associated local regeneration.*

**Andy Shore**  
Senior Advisor (Coastal)  
Partnership and Strategic Overview Team



*At site level (leadership) is really good with good working relationships and a good work ethic and as you go up to management level the intention is to do things right.*

**Carl Green**  
Head of Engineering Services  
Wyre Council

# BEING PART OF THE COMMUNITY

HEALTHY COMMUNITIES



Participants in the Balfour Beatty London Youth Games

# 126,000



# 16

boxes of food donated to a local foodbank by our Scotland Transerv team



Members of staff volunteered at Brockholes Nature Reserve

# 18

# 150+ HOURS



of staff time to support the Planet Big Ideas competition



# £279,000

Raised for our own charity, Building Better Futures, who support Barnardo's, Coram and The Prince's Trust

# £1,800

Raised for Movember by our Engineering Construction senior management team and the site team at Westminster Bridge Road Student Accommodation

# £12,295

donated to Crash, the construction and property industry's charity for homeless people

# £3,000

raised for Macmillan Cancer Support Accommodation

# 30+

Staff and supply chain partners from the Balfour Beatty Mott MacDonald joint venture created a sensory garden at a local nursery



# £16,000 RAISED

for St Elizabeth Hospital by a team of four who cycled 804 miles from Calais to Cannes, burning 30,960 calories whilst climbing 31,560 ft

# UNDERSTANDING OUR LEGACY

PROFITABLE MARKETS | HEALTHY COMMUNITIES

## VALUE ADDED DESIGN

Through delivering the design services for the Oxford Street Improvement Scheme in Southampton, we created:

**£2.3M**

in direct and indirect gross value added in the economy

**£323,000**

of financial value to those who obtained employment

THROUGH THE ASSETS WE FINANCE, DESIGN, BUILD AND OPERATE WE CREATE A LEGACY THAT IS WIDER THAN THE SERVICES WE PROVIDE. TO HELP US UNDERSTAND THIS LEGACY, WE COMMISSIONED AN INDEPENDENT ASSESSMENT BY THE NEW ECONOMIC FOUNDATION CONSULTING TO QUANTIFY OUR SOCIAL AND ECONOMIC IMPACT.

## SCOTTISH CRIME CAMPUS, GARTCOSH



**£25.3 MILLION**  
**INJECTED**  
INTO THE LOCAL ECONOMY



## SUPPORTED

200 full time equivalent jobs through local suppliers, worth around £4 million to employees



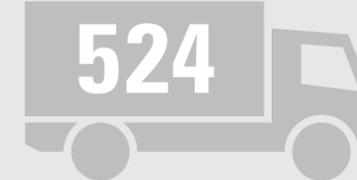
## DELIVERING THROUGH THE NORTHERN LOCAL EDUCATION PARTNERSHIP

As part of the Building Schools for the Future programme in Oldham, Blackburn and Derby we established the Northern Local Education Partnership (LEP).

The LEP was responsible for project management of the procurement process for the schools programme from design and construction through to operations and maintenance including community regeneration.



**£30M** in direct gross value added through local suppliers



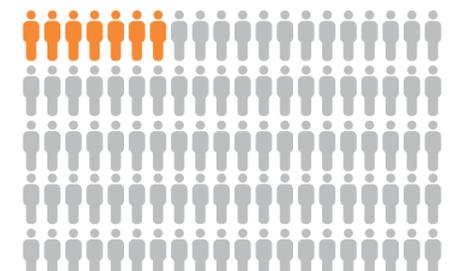
## JOBS

SUPPORTED IN OUR SUPPLY CHAIN



## PROVIDED 78 APPRENTICES

EQUATING TO 7% OF THE WORKFORCE



# ENVIRONMENTAL EFFICIENCY

PROFITABLE MARKETS | ENVIRONMENTAL LIMITS

FROM CONCEPT, THROUGH DESIGN, CONSTRUCTION AND INTO OPERATION, WE LOOK TO DEVELOP AND ADOPT ENVIRONMENTALLY FRIENDLY SOLUTIONS.

## REDUCING MATERIAL IMPACTS

Working for Network Rail on Key Output 2 of the £3.4 billion Thameslink programme, we have significantly reduced the environmental impact of the works associated with three of the cantilever structures.

Traditionally, constructing cantilever structures can be expensive and disruptive as a concrete slab is required beneath the track bed. Following a design review, our team produced a solution that allowed for existing gantry structures to be

strengthened and used to support the new signals. The strengthening works, despite requiring more design work and approvals than the original design, realised:

- Significant cost savings
- A reduction in carbon production of 60%
- Reduced labour time, lighting and noise
- No excavated soil being removed from site



As well as reducing material costs and spoil volumes this solution gave significant programme benefits and de-risked these works considerably. They are a real example of engineering innovation being utilised to aid both project delivery and minimise stakeholder and environmental impacts.

**Chris Ottley**  
Project Manager



## ENERGY EFFICIENT SITE POWER GENERATION

Working for Bristow Helicopters Ltd, we are constructing seven new search and rescue facilities across the UK.

At several of the sites it has not been possible to connect to the power grid meaning that generators are required to provide power 24 hours a day, seven days a week. To meet this demand for power in the most efficient way our team have procured highly efficient hybrid generators.

The generators combine advanced generator technology with integrated batteries that store energy generated during peak demand. When demand for energy drops, the generators switch over to battery power – saving fuel and carbon production as well as reducing costs.



Over a seven week period:

- Generator use was reduced by 63%
- Costs were reduced by around £80 per week
- 7,114 litres of fuel were saved
- 19 tonnes of CO<sub>2</sub>e emissions were prevented



## AN AWARD WINNING ENERGY EFFICIENCY BUILDING

The 50-bed student accommodation extension project for Girton College has won Best Educational Building at the Local Authority Building Control awards.

The award looked at various aspects of the project including technical excellence, innovation, green and sustainable building quality, teamwork, high performance and problem solving.

It recognised the effort of everyone in the team to deliver a new facility that boasts solar panels, triple glazed windows, heat recovery units, ground source heat pumps and a refurbished swimming pool. All of this was delivered whilst the campus remained in operation with works being planned around day-to-day activities on campus that included students sitting exams.

## GOOD FLEET MANAGEMENT DELIVERS

Our fleet team have increased the average miles per gallon achieved by our vehicles through introducing a new company car list. Combined with our new fuel card procurement deal and on-going driver behaviour training, we have saved nearly £1 million.



Balfour Beatty had a robust management system in place which had to consider working within close confines of an existing building and taking into account procedures for 'quiet' working during examination periods. Various design and practical issues were successfully resolved with the client to ensure relationships were maintained towards its successful delivery.

Extract from the Local Authority Building Control report

# AWARD WINNING INNOVATIONS

TO ENCOURAGE THE DEVELOPMENT OF INNOVATIVE SOLUTIONS AND TO SHARE THEM ACROSS OUR BUSINESS WE HAVE HELD OUR FIRST INNOVATION COMPETITION. THE COMPETITION WAS OPEN TO BOTH OUR OWN PEOPLE AND OUR SUPPLY CHAIN PARTNERS WITH OVER 60 ENTRIES RECEIVED ACROSS FIVE CATEGORIES.



Our award winners collect their certificates at the London Aquatics Centre



Paul Haddell's safety app has helped to reduce project accident frequency rate from 0.2 to zero.

## SPECIAL RECOGNITION FOR USE OF MOBILE DIGITAL TECHNOLOGIES

Using technology to improve how we deliver projects and help our people to work smarter.

**WINNER:**  
SIMON MCGOWAN,  
MANCHESTER SMART MOTORWAYS

For development of apps for snagging management, quality assurance and updating the project diary.

**WINNER:**  
JOHNNY FURLONG,  
ST. JAMES'S MARKET

For the development of apps for crane hook time recording, safety reporting and updating the project diary.

## ZERO HARM

Applying new and improved methods and techniques to achieve excellent health and safety performance.

**WINNER:**  
NEAR MISS APP

To improve the reporting of near misses on our Area 4 joint venture contract with Mott MacDonald, Paul Haddell developed an app that allows for real time reporting of near misses. The app allows for anonymous reporting, captures the exact location of the near miss and allows for photographic evidence to be submitted.

Following the introduction of the app, the project now has the highest level of near miss reporting on Highways England projects. The accident frequency rate for the project has also fallen from 0.2 to zero.

## SUSTAINABILITY

For going beyond contractual requirements to deliver added value through our Sustainability Blueprint.

**WINNER:**  
SCOTLAND TRANSERV FUEL SAFE BOWSER

A fuel spillage can present a major hazard to motorists and cause disruption during clean-up operations. The Fuel Safe Bowser, attached to the back of vans, carries a product that can be used to clean-up small and medium sized spillages without the need for sand. Through cleaning up fuel spillages more quickly, the risk posed to our workforce and disruption to the road network is minimised.

**WINNER:**  
ST JAMES'S MARKET SITE HOARDING INTERACTIVE 3D BIM MODEL

To help the local community to engage with the project, our team at St James's Market have developed a new hoarding system that lets passers-by view BIM models of the project. Through interacting with the BIM model, the public can find out information about the project and what will be on the site when the hoardings are removed.

## SUPPLY CHAIN

Working with our supply chain partners to drive process efficiency and make our projects safer.

**WINNER:**  
SLIP FORMED FOOTINGS FOR THE CENTRAL RESERVE BARRIER

Our Skanska Balfour Beatty joint venture team on the M25 have worked with P.J. Davidson, a specialist slip form contractor, to design a system that allows for the central reserve to be slip formed in a single layer in preparation for safety barrier installations. The new approach increases productivity by around 75% and removes the need to construct the footings for the safety barrier separately.

## JOSE IDICULLA ENGINEERING EXCELLENCE

Celebrating the contribution that Jose Idiculla made to engineering and innovation over his many years at Balfour Beatty.

**WINNER:**  
CABLE COLLAR DECOMMISSIONING TOOL

Described by our customer EDF as 'best in class', the new tool aids with the decommissioning of electrical cables. It provides the user with a clear visual indicator to help them to identify each cable clearly during removal works, giving them assurance that cables are safe to remove.

# MAKING SAFETY PERSONAL

THERE IS NOTHING THAT WE DO THAT IS SO IMPORTANT, THAT WE CANNOT TAKE CARE AND DO IT SAFELY. FOR US, ZERO HARM MEANS NO ACCIDENTS OR ILL HEALTH CAUSED BY ANY OF OUR WORK ACTIVITIES.

In 2014, our accident frequency rate was 0.22. To reduce this figure, we launched our 10 global safety principles that all of our employees must follow (see below). We have also launched a series of co-ordinated action plans that focus on: uncompromising leadership, employee engagement, supply chain engagement, creating a single safety management system, supervisor training, eliminating and designing out occupational disease and ill health and stronger governance.

## 1. WORKING AT HEIGHT

Never work at any height where there is a risk of injury from falling or in any situation 2m (6ft) or more above a surface unless fall prevention measures are in place

## 2. RESTRICTED AREAS

Never enter an agreed exclusion zone or restricted area unless directed to do so by the person in charge and the work activity has been halted and any suspended load has been lowered

## 3. UNSUPPORTED GROUND

Never work in or around unsupported ground of any depth where there is a risk of injury from ground movement or in any situation 1m (3ft) or more below the ground surface unless ground support measures are in place

## 4. MOBILE EQUIPMENT

Never be less than 3m (10ft) away from moving mobile equipment or vehicles

## 5. ENERGY SOURCES

Never work on mechanical, electrical or pressure systems unless the energy source has been isolated and discharged and you have verified this through testing

## 6. EQUIPMENT LIMITS

Never lift a load that exceeds the capacity of the equipment, perform a lifting operation when a person is in the drop/swing zone or use a tool or a piece of equipment for anything other than its intended purpose

## 7. WORK OVER WATER

Never work around water or open fluid facilities without wearing a buoyancy vest and never work without a partner who is qualified and equipped to rescue you

## 8. DRIVING

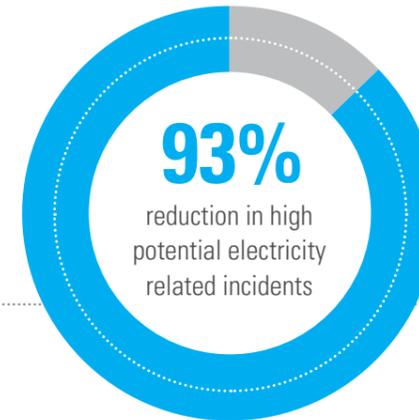
Never use a phone of any type or a handheld radio while operating a vehicle or mobile equipment

## 9. PROTECTIVE ARRANGEMENTS

Never commence or continue a task without proper protective arrangements (hoarding, shielding, exclusion zone, lanyard, etc.) in place to protect your colleagues and members of the public

## 10. LONE WORK

Never work alone without effective arrangements in place to locate and rescue you should you become incapacitated



Electricity is a major safety risk on any project. To help control this risk we trained over 250 of our Engineering Services employees to become Authorised Persons responsible for ensuring the safety of everyone during electrical commissioning works.

The training was delivered at our two award winning Centres of Excellence and involved using low voltage switchgear to help our employees to gain a detailed understanding of a range of electrical systems that they will be dealing with on a daily basis. This training was also offered to many of our subcontractors without cost.

As a result of this initiative high potential incidents relating to electricity have reduced by 93%.



## OUR GOLDEN RULES

- 1 Be fit for work
- 2 Always receive a briefing before starting work
- 3 Report all unsafe events and conditions
- 4 Stop work if anything changes

24 July saw our annual safety stand down. This involved over 20,000 of our direct employees and subcontractors stopping work to re-focus on safety.



## LOCAL ACHIEVEMENTS

**95%**

95% of our Regional construction projects were lost time incident free, month on month

**1 MILLION**

A number of projects achieved over one million hours of incident free working

**10 YEARS**

At Sellafield, we reached 10 years without an accident

# DELIVERING THROUGH OUR SUPPLY CHAIN PARTNERS

PROFITABLE MARKETS | HEALTHY COMMUNITIES | ENVIRONMENTAL LIMITS

OUR SUPPLY CHAIN PARTNERS ARE AN INTEGRAL PART OF OUR BUSINESS MODEL AND WITHOUT THEM WE COULD NOT DELIVER OUR CUSTOMERS OR OUR OWN SUSTAINABILITY OBJECTIVES. RECOGNISING THIS, WE HAVE CONTINUED TO SUPPORT OUR SUPPLY CHAIN PARTNERS THROUGH A NUMBER OF INITIATIVES.



*We joined the Supply Chain School because we wish to continue to develop and remain at the forefront within our industry. We are grateful to Balfour Beatty for their support as we work with them to make ourselves more sustainable helping us to expand and offer even more innovative products in the future.*

**Rob Lynch**  
Chief Executive Officer  
Lyndon Scaffolding Plc

## IMPROVING THE CASH FLOW OF SMES

Launched in 2013, our supply chain finance scheme has continued to grow with £24 million of payments made to SME suppliers during 2014.

The scheme allows for our supply chain partners to receive funds earlier by paying a low rate of interest to our banking partners. This can improve the cash flow of their business and help them to grow as an organisation.

## 1,000 AND GOING STRONG

We have welcomed our 1,000th member, Lyndon Scaffolding Plc, to the Supply Chain Sustainability School. As a member of the School, they will be supported by a virtual learning environment to deepen their knowledge of sustainability and help the industry to deal with the challenges that it faces.

## USING SOCIAL ENTERPRISES TO IMPROVE EMPLOYABILITY

Through SUMMIT Learning & Skills CIC, a social enterprise, we are supporting ex-offenders and the long term unemployed to gain new skills and qualifications to gain meaningful employment.

As part of West Sussex County Council Highways Partnership the employees complete pothole repairs, tarmac patchwork, green waste clearance and tree storm clearance whilst earning training credits. These credits are then used to gain qualifications through SUMMIT approved training centres – helping to improve the long term employability prospects of participants.

In 2014, we employed 11 people through the scheme who achieved over 20 qualifications. From this group, one employee went on to start up his own contracting business while another has been granted parole as a result of the work he has completed on the scheme.



*I have learnt a lot which will improve my job prospects and help me to integrate back into society. The new skills will also benefit people around me as it has shown me how to work better with others.*

**Serving Offender**  
Ford Open Prison



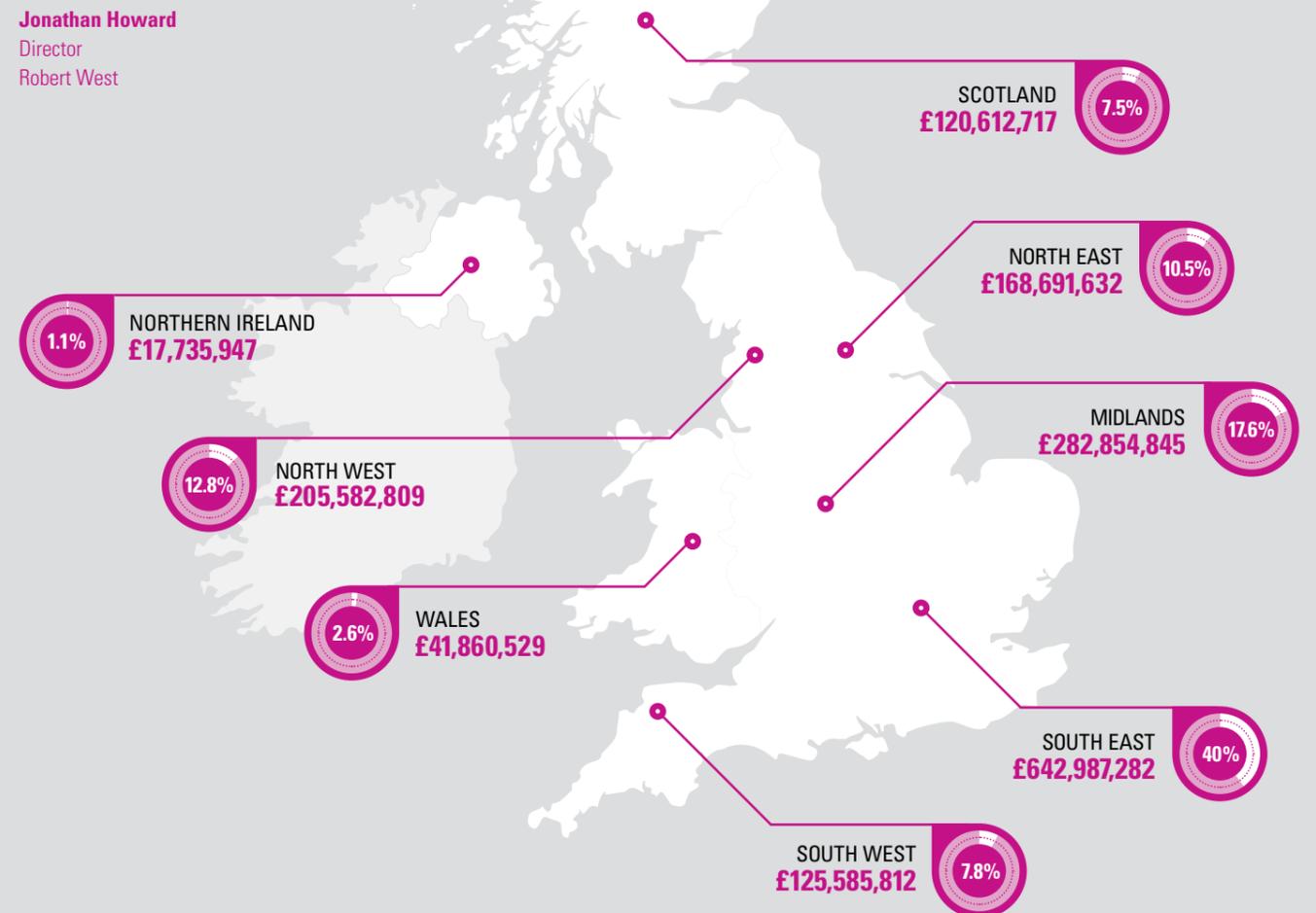
*We have seen that Balfour Beatty is committed to close and collaborative relationships with locally-based smaller businesses like ourselves.*

*The stability of our relationship with Balfour Beatty allows us to thrive and progress as a business and we welcome additional investment being targeted at smaller businesses like ours.*

**Jonathan Howard**  
Director  
Robert West

## EXCEEDING OUR OWN EXPECTATIONS

At the beginning of 2014, our Construction Services business in the UK committed to spending £1 billion with SMEs, we went on to achieve £1.1bn against this target. In addition we have identified another £500m from our other UK businesses totalling over £1.6 billion of invoices paid to SMEs in the UK.



GRAND TOTAL

**£1,605,911,573**

# CREATING A DIVERSE ORGANISATION

## HEALTHY COMMUNITIES

OUR PEOPLE ARE WHAT MAKE OUR BUSINESS GREAT. THROUGH THEIR HARD WORK AND INGENUITY THEY DELIVER THE INNOVATIVE SOLUTIONS TO THE INFRASTRUCTURE NEEDS OF OUR COUNTRY. TO NURTURE THEIR CREATIVITY WE AIM TO PROVIDE A SAFE, OPEN AND DIVERSE WORK PLACE WHERE EVERYONE CAN REACH THEIR POTENTIAL.



### WORKING WITH THE PRINCE'S TRUST – A PARTNERSHIP THAT DELIVERS

Since 2006, each £1 we have invested with The Prince's Trust has created £3.30 in added social value. This means that our £1.3 million of funding has created £4.29 million worth of positive social outcomes for young people, including facilitating:

- 412 participants in the Get Into Construction programme with 80% of those taking part moving into employment, education or training
- 1,383 participants in the xl programme with 91% of those taking part moving into employment, education or training
- 903 development awards to help people overcome barriers to employment, with 82% of awards resulting in a positive outcome
- 1,036 community cash awards to help young people deliver their own community projects. Of those who participated, 90% have continued into employment, education or training

### THE BALFOUR BEATTY ACADEMY

As part of the government's Employer Ownership Skills initiative we have secured funding to provide new opportunities for young and unemployed people. We have used this funding to establish the Balfour Beatty Academy and are undertaking work on a range of projects that will benefit our current and prospective employees.

One of these project areas is the new Trailblazer Apprenticeships. As part of this initiative we have developed 10 new apprenticeship standards that are now approved by the government. This is the first time an employer has been able to link the needs of industry with raising the standards of skills.



*I congratulate Balfour Beatty and members of the Construction Trailblazer on their involvement in designing the new apprenticeship standards. I am proud to say that through working with leading employers such as Balfour Beatty, we have now reached our target of creating two million apprentices since 2010.*

**Nick Boles MP**  
Minister of State for Skills

### 5% CLUB

As part of the 5% club, we aim for 5% of our workforce to be apprentices, graduates or sponsored students



*The best thing about being an apprentice with Balfour Beatty is how they help you to gain as much experience as possible. They show great interest in your work and always support you wherever they can.*

**Bethany Guy**  
4th Year Electrical Apprentice



### DUKE OF EDINBURGH

To help young people unlock their potential, we offer them the opportunity to complete the Duke of Edinburgh Award.



*The whole experience so far has been physically and mentally challenging. I have already benefitted tremendously and look forward to completing the award over the next year.*

**Tom Hyland**  
Project Engineer



### STONEWALL

We have established a Lesbian Gay Bisexual & Transgender (LGBT) network as part of the Stonewall Diversity Champion programme.



*Supporting staff whatever their background encourages creativity, a greater contribution of a variety of ideas as well as improving staff retention and breaking down barriers and prejudice in the industry and wider society.*

**Christina Riley**  
Co-Chair of our LGBT Group



# THE FUTURE

IN 2015, TO MAKE OUR BUSINESS BETTER FOR OUR CUSTOMERS, EMPLOYEES, SUPPLY CHAIN PARTNERS AND THE COMMUNITIES WE SERVE, WE WILL LAUNCH TWO NEW INITIATIVES – BUILD TO LAST AND INVOLVED.

Build to Last is our transformation programme. For all of our stakeholders, the programme will simplify our business and reinforce our customer facing capabilities. It will make us:



LEAN	EXPERT	TRUSTED	SAFE
 <p>Through the delivery of rapid performance improvement by strengthening financial controls, transparency and simplifying our business with detailed indirect cost reduction plans. It will also include the introduction of My Contribution, a productivity initiative across the whole organisation.</p> <p>Similarly, we will apply these processes to lean out delivery for our customers of our value added capability, eliminating waste (Zero Waste) in scheduling and materials.</p> <p><b>Metric:</b> <i>Operating profit and operating cash generation.</i></p>	<p>Our customers value our engineering, design and delivery capability. We will attract, retain and develop key employees and subcontractors in an increasingly competitive environment, by investing in training and talent to enhance our engineering, design and project management capability.</p> <p><b>Metric:</b> <i>Annual engagement survey and employee retention.</i></p>	<p>Delivering on our promises through strengthening the successful execution of projects and services through disciplined stage-gated bidding, contracting and risk review processes.</p> <p><b>Metric:</b> <i>Customer satisfaction.</i></p>	<p>Nothing is more important. If we are not safe we are not in business. Safety is a non-negotiable licence to operate – at all levels and for all employees, subcontractors, customers and communities.</p> <p><b>Metric:</b> <i>Zero Harm</i></p>



*Through developing the expert capabilities of our people, Build to Last will create a sustainable Balfour Beatty. It will help us to deliver safely and eliminate waste – making us a trusted partner to do business with.*

**Leo Quinn**  
Group Chief Executive Officer  
Balfour Beatty



My Contribution is the opportunity for everyone at Balfour Beatty to get involved in Build to Last. It ensures that our competitiveness and productivity is in the hands of the people who really know what our business needs – our employees.

## involved

INVESTING IN OUR COMMUNITIES

### GETTING INVOLVED

Involved is our new community investment programme. Its goals are simple:

- Engage with local communities where we work
- Develop local enterprise and use local resources
- Invest in training and skills

Involved provides a clear and flexible framework that is easy for our customers and our own people to understand and deliver. It is fully integrated into our business management systems and is integral to the everyday running of our business.

Involved will maintain our leadership in delivering social and economic sustainability in partnership with our customers, suppliers and local communities. In our next report, we will tell you about the successes of the programme.



*Balfour Beatty has always delivered social sustainability through its projects. However, the Involved programme offers a unique opportunity to maximise social impact and make a real difference to people and communities.*

**Graham Randles**  
Managing Director  
New Economics Foundation Consulting

**Balfour Beatty**

[www.balfourbeatty.com](http://www.balfourbeatty.com)



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