

Modern Slavery Statement 2017

Purpose

This statement for the year ending 31 December 2016 has been published in accordance with Section 54 of the Modern Slavery Act 2015. The purpose of this statement is to set out the steps taken by Carillion plc and our relevant group companies to prevent modern slavery and human trafficking within our business and supply chain.

1) Introduction

Carillion's vision is to be the trusted partner for providing services, delivering infrastructure and creating places that bring lasting benefits to our customers and the communities in which we live and work. At Carillion, our Values are at the heart of everything we do. They drive our commitment to delivering safe, sustainable and effective solutions for our customers and to creating positive legacies wherever we work.

We aim to bring lasting benefits to the communities in which we work and create positive legacies wherever we work. As a holder of the Queen's Award for Enterprise: Sustainable Development and a signatory of the UN Global Compact, we are embedding sustainability and responsible business into our core strategy and operational practices.

Carillion condemns slavery in all of its forms. We are fully committed to working with our customers, our business teams and our supply chain partners to support human rights and the welfare of the employees working on our contracts and projects. We are committed to taking measures to prevent the occurrence of modern slavery in our business or supply chains, and to monitoring the effectiveness of those measures.

Risk assessment procedures have been implemented to identify potential risks of modern slavery across our business and supply chain. Risks are identified and assessed at an initial stage in risk assessment reports; it is then determined what potential mitigations and control measures can be implemented to prevent and eradicate such risks. The potential risks are then re-assessed to provide a final risk rating, once the mitigation and control measures have been applied.

2) Organisational structure and supply chains

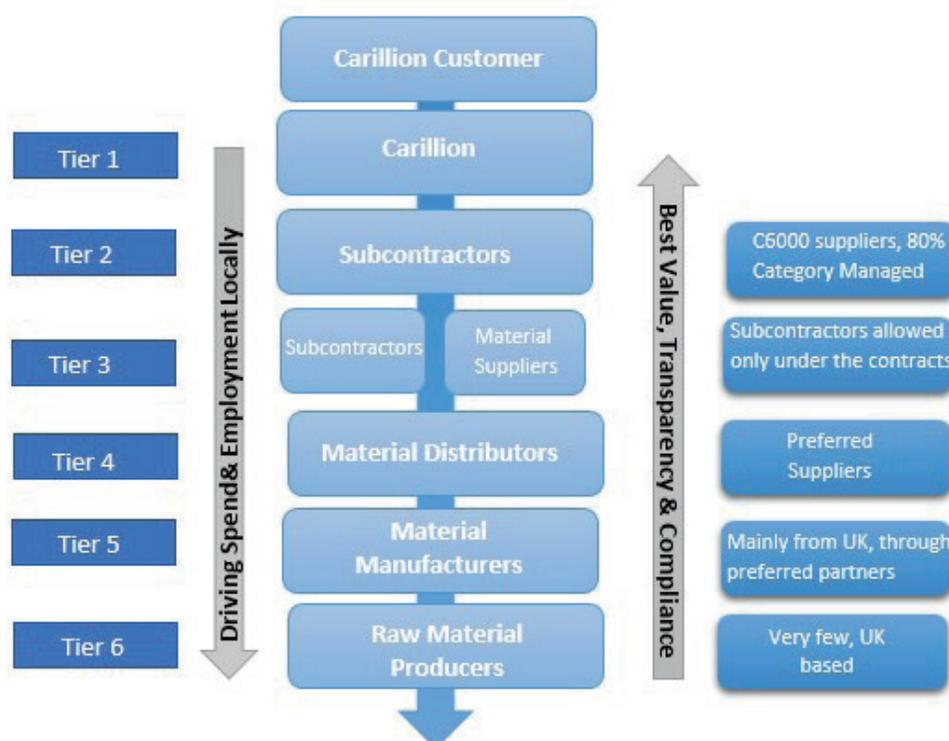
Carillion is a leading international integrated support services business, employing around 48,500 people. Carillion operates in the UK, Canada and Middle East, with an annual revenue in 2016 of more than £5.2bn.

We report our financial results in four business segments: support services, Public Private Partnership projects, Middle East Construction Services and Construction Services (excluding The Middle East).

Across these four business segments, Carillion provides a range of services including: facilities management, energy services, rail services, road maintenance services, utilities and consultancy services; PPP projects in the UK and Canada; building and civil engineering activities in the Middle East and North Africa; UK building, civil engineering and the development of businesses and construction activities in Canada.

The health and safety, wellbeing and working conditions of our employees are high priorities for Carillion. We set high standards of corporate governance, supported by policies and procedures applied throughout our business in the UK and internationally. These cover human rights and our social responsibility. Our highest risk area is the Middle East and North Africa, particularly in relation to worker welfare standards. We have taken steps to assess and mitigate these risks, as detailed in this statement.

Our supply chain consists of many tiers, including approximately 6,000 direct suppliers. 80% of our spend is Category Managed with a core list of suppliers which form our preferred supplier list. Each category is led by a supply chain technical professional who have received modern slavery training to deliver the business and functional requirements of consistent quality of services, zero accidents, cost management, performance improvement, sustainability and year on year innovation.



3) Policies and practices

www.carillionplc.com/about-us/

Carillion has integrated modern slavery prevention into our core corporate policies, commitments, and training to ensure that our employees understand their essential responsibilities.

Ethics and Business Integrity Policy

The Ethics and Business Integrity Policy sets out the core standards and behaviours that all Carillion employees are expected to meet, wherever in the world they operate. The document also provides more detailed information on various ethical issues and identifies who should be contacted for assistance or to report a breach of the Policy. The Policy has been updated to include information about modern slavery and how to report a suspected incident.

Whistleblowing hotline

Carillion has a Whistleblowing Policy and an independent whistleblowing hotline which has been in place for several years to allow all of our people and third parties to report incidents of malpractice. During our risk assessment we identified the need to strengthen this to ensure that there was a defined process for reporting suspected instances of modern slavery. Reports can remain anonymous and any incident that is a potential slavery or trafficking event is identified as high alert, to be dealt with immediately by the Whistleblowing Committee. As appropriate, the event will be shared with the Director responsible in conjunction with Internal Audit. The issue will be resolved in accordance with timescales set within our policy.

Carillion aims for a high standard of governance within our business, and has implemented policies, procedures and mandatory training designed to create a responsible business culture, which defines the way we do business and enables us to achieve high-standards of customer service, risk management and accountability. Ethics and Business Integrity Policy sets out the Group's approach to a number of compliance and ethical issues and the standards and behaviours that all Carillion employees are expected to meet wherever in the world we operate.

Carillion already has policies that define how we ethically procure, but during our modern slavery due diligence process it became apparent that these policies needed to be reinforced to more directly focus on modern slavery risks in our supply chain, not only in the UK but also across our international businesses.

4) Training

As part of Carillion's commitment to eradicating modern slavery, we want to ensure that all of our people understand what is meant by modern slavery, understand how to recognise it, and how to act in the event that they consider that somebody is a potential victim of modern slavery.

We have developed and rolled out online and face-to-face mandatory training modules for all of our employees with relevant access to the training site. Completion of this learning module is being monitored to ensure that all applicable employees have completed it; we expect full completion across the business to take place by the end of 2017.

Given the diverse nature of our business, we also hold regular briefings at site level. Through our monthly 'Team Talks', all our employees have been fully briefed about the Modern Slavery Act. The briefing also reminds our people that if they suspect or are concerned that someone is a victim of modern slavery they should contact our whistleblowing hotline in confidence.

5) Assessment of Risk in Supply Chain and Due Diligence of Suppliers

Supply Chain

We are aware that our biggest risks lie in our supply chains. To combat such risks, we have a policy of only contracting with accredited and approved supply chain partners. We ensure that all new contracts contain modern slavery clauses and all suppliers may be subject to announced and unannounced audits. Audits are carried out onsite and include interviewing workers.

We expect our suppliers to support and demonstrate our values, which are an essential component of our approach to Sustainability. The standards we expect from our suppliers address a broad spectrum of working conditions including, but not limited to, fair remuneration, working hours, no child labour, respect, non-discrimination, health safety and wellbeing, as well as freedom from forced labour. We will assess all instances of non-compliance, taking appropriate remedial action in a timely manner and as expeditiously as possible.

As part of our tendering process, we require that suppliers agree to adhere to our published charters for ethical sourcing and labour standards - a key part of our sustainability strategy - and we also ask suppliers to confirm compliance with the Modern Slavery Act at the pre-accreditation stage. We will not progress to working with suppliers which do not agree to comply with the Act.

We recognise that particular types of suppliers are likely to give rise to a higher risk of modern slavery, in particular those utilising lower-wage, low skill staff such as construction workers, security, couriers, cleaning, agriculture and those utilising manufacturers in low-wage countries. Where, through risk assessment, we perceive a particular risk of modern slavery, we will continue to undertake enhanced due diligence, asking additional questions during the procurement process tailored to the specific risks to ensure the supplier meets acceptable standards.

Accreditation

Carillion has an accreditation process in place for all of our suppliers. This process seeks to ensure that our suppliers are safe and competent to carry out the work we require, and that our suppliers work ethically and sustainably. During our due diligence process, we updated our Labour Standard accreditation questionnaire to include modern slavery and to ensure that suppliers understand the standards we expect of them, within their company and across their own supply chain.

Audits

We are aware that our highest risk area is in our Middle East and North Africa (MENA) businesses, particularly in relation to worker welfare standards. Carillion takes welfare standards seriously and believes that everyone has the right to be treated in a manner that ensures their wellbeing, health, safety and security. These principles reflect those of the Dhaka Principles which, in turn, are based on the UN Guiding Principles on Business and Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. A separate MENA Welfare Steering Group has been established with the objective of safeguarding our workers' welfare in these businesses. During 2016, the Board visited two of our accommodation sites in the Middle-East as part of this audit process.

Since 2014, an audit process has been put in place in this region. All of our suppliers' labour accommodation facilities are in the process of being inspected to ensure compliance and improvement plans have already started to be implemented where required. As a result of these inspections, 60 suppliers have been removed from our projects for poor standards.

In 2017 and beyond, this process will be implemented across the Carillion group, including the UK and Canada.

Contracts / Legal Documents

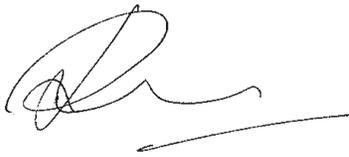
Carillion has amended our standard contractual terms for suppliers to include obligations on suppliers to comply with the Modern Slavery Act. This requires suppliers to maintain records that allow traceability throughout our supply chain, to report breaches and to detail the steps taken to ensure there is no slavery or human trafficking in their operations. Carillion may terminate a supplier agreement with immediate effect if it identifies that a supplier is breaching or has breached Carillion's policy on anti-slavery and human trafficking.

6) Key Performance Indicators

The risk of modern slavery is one which requires continuous monitoring to ensure effective prevention throughout the business. In order to assess the effectiveness of the measures put in place, we will review the effectiveness of the following performance indicators and report on them in future Modern Slavery Act statements:

- training and capacity building of staff about modern slavery issues and measuring changes in awareness of risk;
- monitoring grievance procedures and whistleblowing procedures if cases are suspected or found, and the outcome/resolution;
- visibility, leverage and oversight of suppliers in relevant supply chains for goods and services; and
- number of supplier due diligence visits completed.

Approved by the Board of Directors of Carillion plc on 3 May 2017.



Richard Howson
Group Chief Executive
May 2017