



Strategic Report for the Year Ended 31 December 2022 (Continued)

Section 172(1) Statement

Overview

Section 172(1) of the Companies Act 2006 requires a Director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its stakeholders as a whole. In doing this, Section 172(1) requires a Director to have regard, amongst other matters, to the:

- Likely consequences of any decisions in the long-term;
- Interests of the company’s employees;
- Need to foster the company’s business relationships with suppliers, customers and others;
- Impact of the company’s operations on the community and environment;
- Desirability of the company maintaining a reputation for high standards of business conduct; and
- Need to act fairly as between members of the company.

The Directors of the Company consider, both individually and collectively, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its stakeholders as a whole (having regard to the matters set out above) in the decisions taken during the year ended 31 December 2022.

Stakeholders and Stakeholder Engagement

The Directors recognise that building strong relationships with the Company’s stakeholders will help deliver the Company’s strategy in line with its long-term values. The impact of board decisions on each stakeholder group are considered in accordance with Section 172 of the Companies Act 2006.

The chart sets forth the key stakeholder groups and summarises (i) why they are important to the Company; (ii) the issues that matter to each stakeholder group; and (iii) the Company’s methods of engagement with each stakeholder group and the principles that guide engagement.

Employees	
The Company has no employees, staff are seconded to the Company from other group entities. The Company is aware of and supports the efforts of its group entities in engaging with their employees, who are the Company’s secondees.	
Customers	
Why they are important to the Company	Building trusted business relationships with customers helps the Company achieve repeat business, which, in turn, positively impacts the Company’s long-term growth. The Company’s success is dependent on its understanding of, and response to, the issues that are important to its customers.



Strategic Report for the Year Ended 31 December 2022 (Continued)

Section 172(1) Statement (Continued)

Customers (continued)	
<p>What matters to them</p>	<ul style="list-style-type: none"> • Delivering on commitments made to customers • Support to meet their sustainability and net zero goals • Openness and transparency • Fairness in business practices • Operating to the highest ethical standards • Ability to deliver large and complex projects • Reputation of the Company as a leading global engineering, procurement and construction company • Cost-efficient solutions • Providing value to our customers • Leading innovation • Providing digital solutions
<p>Guiding Principles</p>	<p>Creating a positive customer experience is at the centre of everything we do. We treat our customers respectfully, fairly, transparently, and with empathy.</p> <p>In serving its customers, the Company is guided by its Vision - “Extraordinary teams building inspiring projects.” Central to this vision are the Company’s values and commitments:</p> <ul style="list-style-type: none"> • We live for a challenge • We do the right thing • We take care of each other • We succeed together • We build trust <p>We communicate in an honest, open, and timely manner with our customers actively seeking feedback, listening so that we may understand concerns, and responding appropriately and effectively. We respond to our customers by making adjustments, offering multiple options to address their needs, and highlighting risks.</p> <p>We work to solve challenges through innovation and creativity. We consider multiple options and perspectives when developing ideas. We carefully and accurately analyse information and communicate well-informed conclusions.</p>
Suppliers and Subcontractors	
<p>Why they are important to the Company</p>	<p>The Company’s suppliers and subcontractors are critical to supporting its diverse business portfolio. The Company depends on suppliers and subcontractors to bring expert knowledge, innovation, safety, quality, and integrity to its projects and customers. The Company recognises that leveraging the collective strength of its suppliers and subcontractors will be key to supporting project delivery, as well as its customers’ efforts to achieve net zero.</p>



Strategic Report for the Year Ended 31 December 2022 (Continued)

Section 172(1) Statement (Continued)

Suppliers and Subcontractors (continued)	
What matters to them	<ul style="list-style-type: none"> • Prompt payment • Safety • Opportunities to innovate and grow the relationship • Effective communication • Ethical business practices • Encouraging collaborative and sustainable relationships • Opportunities for innovation
Guiding Principles	<p>The Company is committed to the highest standards of business ethics and corporate compliance. It is the Company’s policy to deal only with organisations whose ethical standards are fully aligned with our own, and our ethical standards are outlined in our Code of Conduct.</p> <p>The Company’s relationship with its suppliers and subcontractors is guided by “Supplier Guide: Executing Work with Bechtel” and “Bechtel’s Expectation for Suppliers’ and Subcontractors’ Conduct”.</p> <p>The Company strives to lead the engineering and construction industry in designing and constructing facilities that are environmentally sound, are socially responsible, and leave a sustainable and positive impact on local communities. The Company similarly expects its suppliers and subcontractors to develop work practices to adhere to safe work practices, mitigate adverse impact to the environment, advance the economics of the local community, prevent modern slavery and promote supplier diversity.</p>
How we engage	<ul style="list-style-type: none"> • Supplier and Contractors Portal, including postings of the Company’s “Supplier Guide: Executing Work with Bechtel” and “Bechtel’s Expectation for Suppliers’ and Subcontractors’ Conduct • Supplier and Contractor vetting and due diligence • Frequent communication and conducting physical or virtual visits of supplier facilities • Supplier quality surveillance is performed in accordance with approved quality surveillance plans • Analysis of supplier payment data • Promote opportunities to implement best environmental practices <p>We continue to explore opportunities to support changes to meet the transition to net zero and develop innovation together with the supply chain. The Company is considering new ways of engagement with our suppliers and subcontractors for mutual benefit and the benefit of our customers as a key part of becoming more sustainable.</p>



Strategic Report for the Year Ended 31 December 2022 (Continued)

Section 172(1) Statement (Continued)

Shareholder	
Why they are important to the Company	The Company is a wholly owned subsidiary of Bechtel Holdings Limited, which, in turn, is ultimately held by Bechtel Group, Inc. The shareholder provides support, governance, and input into the strategic direction of the Company.
What matters to them	<ul style="list-style-type: none"> • Financial performance • Strategy and business model • Strong returns • Protection of reputation • Sustainability • Safety • Ethical business practices
How we engage	The Board and senior management of the Company openly engage with and provide regular reporting to the Board of its ultimate parent entity, Bechtel Group, Inc.
Environment	
Why is it important to the Company	The energy transition and the shift towards net zero presents strategically important business opportunities and risks for the Company. To remain leaders in the delivery of best practices in the industry, the Company needs to minimise negative environmental impacts aligning its targets with the aims of its client base and societal changes. The Company's focus on decarbonisation is helping to mitigate the impact of work on our customers' projects.
Guiding Principles	Pursuant to the Company's Sustainability Policy, and as embodied in the Company's Vision, Value and Commitments and Code of Conduct, the Company is committed to protecting the environment, and believe that sustainability principles and respect for natural resources, must be inherent to all planning and work performed.
How we engage	<p>Impacts on the environment are managed through the Company's ISO14001 certified Environmental Management System (EMS). This provides a materiality-based assessment of the Company's operations at both facility and project level and is used to identify both positive and negative aspects and impacts, as well as risks and opportunities. Where negative impacts or risks are identified, mitigations are implemented in accordance with accepted good practice.</p> <p>Our EMS helps us to identify interested parties, relevant to environmental management. We engage internally through our ES&H Committee, Net Zero Advisory Committee, and through our projects. We engage externally through participation in global forums, symposiums, through our customers, through membership of relevant institutes and working groups.</p> <p>The Company has developed carbon reporting processes, models and baselines and it is updating its decarbonisation strategy. The Company published its Carbon Reduction Plan on the Company website on 15 March 2022.</p>

Strategic Report for the Year Ended 31 December 2022 (Continued)

Section 172(1) Statement (Continued)

Community	
Why they are important to the Company	The Company understands that projects it's involved in will have an impact on the communities in which it operates, and endeavours to leave a lasting positive legacy. We understand that together with our customers we need to take care to understand and address community concerns associated with project delivery.
What matters to them	<ul style="list-style-type: none"> • Jobs and other investment in local community • Safe, sustainable operations • Having appropriate and timely information on activities that may affect them • Responsiveness to questions and complaints • Avoidance and/or minimization of impacts, including environmental impacts
How we engage	<ul style="list-style-type: none"> • Volunteering and donations • Training/upskilling of local people • Supporting our customers in community engagement and dialogue, including a complaints procedure • Community engagement plan with a communication plan • Supporting education and training • Monitor and document community stakeholders' issues, changing conditions, and the effectiveness of mitigation measures.
Guiding Principles	Pursuant to the Company's Sustainability Policy, and as embodied in the Company's Vision, Value and Commitments and Code of Conduct, the Company is committed to protecting people and the environment, partnering with communities and society, and promoting economic development. To that end, the Company endeavours to (i) execute projects with care for the environment, as well as for the safety and well-being of the people who can be affected by its projects, (ii) support the communities that host its projects and offices and use inclusive, participatory engagement by which local cultures and values are respected, dialogue is promoted and mutual trust is built; and (iii) build and enhance the capacity of workers and businesses through local procurement and hiring, and by stimulating long-term economic development beyond the projects delivered.

Strategic Report for the Year Ended 31 December 2022 (Continued)

Section 172(1) Statement (Continued)

The Directors recognise the long-term consequences of its decisions, the importance of maintaining the Company's reputation for high standards of business conduct and the need to build strong relationships with the Company's stakeholders. These considerations, which are underpinned by its Vision, Values and Commitments, are reflected in the key decisions taken by the Board during 2022, as summarised below.

Key Decisions in 2022 and Considerations of Stakeholders

1. New office location

In 2022, the Company established an office in Bigrigg, Cumbria. The region is the UK's Centre of Nuclear Excellence. Physical presence in the area, employment of local people and contribution to the local economy are important to the Company. The office serves the Company's business development needs, as well as providing a physical location for project teams to work from.

2. Diversity, Equity and Inclusion (DE&I)

The Company continued its focus on creating a diverse and inclusive culture. Fostering a bias-free culture that ensures equal opportunity for all employees is core to its operations and central to how it conducts business. The Company seeks to accelerate equity and fairness in its business and improve people's lives by working to ensure that every colleague – regardless of their race, gender, age, ethnicity, socioeconomic status, sexual orientation, disability, or other unique qualities – feels valued, respected, welcomed, and treated fairly, and free to show up to work as their full selves with hope for continual opportunities to grow, advance and build a meaningful career.

Since the appointment of a Global Chief Diversity and Inclusion Officer, the publication of a strategic D&I Roadmap and D&I Action Plan in 2021, D&I Project Managers for each Global Business Unit were appointed to demonstrate global commitment to the D&I strategy. Over the course of 2022, the following actions were taken that would make a difference including to reduce the Company's gender pay gap, which is believed to be primarily driven by the under representation of women in senior roles:

- Reviewed and amended Company policies to ensure they reflect the Company's commitment to creating a more inclusive work environment.
- Revised the Company's project performance dashboards to include D&I metrics to create greater visibility and accountability for performance.
- Monthly reviews of regional D&I goals and metrics around the three pillars – Culture, Talent and Accountability.
- Reviewed employee survey results and ensured actions were incorporated within the D&I goals.
- Undertook initiatives to better understand the workplace demographic to better inform the D&I goals set by the Company.
- Signed Construction News and New Civil Engineer pledge for inspiring women in construction.
- D&I representatives assigned by project as additional point of contact for employees.
- Continued partnerships with external organisations to support with the D&I strategy.

Bechtel Management Company Limited

Strategic Report for the Year Ended 31 December 2022 (Continued)

Section 172(1) Statement (Continued)

Key Decisions in 2022 and Considerations of Stakeholders (Continued)

2. *Diversity, Equity and Inclusion (DE&I) (Continued)*

- Achieved ISO 30415 in Human Resource Management: Diversity and Inclusion certification.
- UK & Ireland D&I Council, established in 2021, continued to hold senior leaders accountable for implementation of diversity and inclusion recommendations and support the Business Resource Groups.
- Continued Men Advocating Real Change (MARC) dialogue teams and held monthly training sessions, to encourage participants to make changes in their day-to-day work interactions to nurture a more inclusive environment.

By order of the Board



Mrs Michelle de Franca
Director
10 July 2023