



BECHTEL MANAGEMENT COMPANY LIMITED 2021 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 members 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 members as a whole (having regard to the matters set out above) in the decisions taken during the year ended 31 December 2021.

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 Company has identified the below stakeholders which are relevant to the proper discharge of the duty of the Directors under Section 172(1) to promote the success of their respective companies.

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 help the Company secure 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.
How we engage	Refer to section entitled 'Key Decisions in 2021 and Considerations of Stakeholders' below.
What matters to them	<ul style="list-style-type: none"> • Alignment of goals • Alignment and assistance on the customer's goal to achieve net zero • Openness and transparency • Support for good causes • Fairness in business practices • Operating to the highest ethical standards • Ability to deliver large and complex projects

Suppliers and Subcontractors	
Why they are important to the Company	The Company's suppliers and subcontractors are critical to supporting its diverse business portfolio. 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.
What matters to them	<ul style="list-style-type: none"> • Prompt payment • Opportunities to innovate and grow the relationship • Effective communication • Ethical business practices
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, develop local suppliers and subcontractors, advance the economics of the local community, prevent modern slavery and promote supplier diversity. The Company's screening criteria for project awards includes sustainability criteria and awards include terms to motivate appropriate behaviours.</p>
How we engage	<ul style="list-style-type: none"> • Supplier and Contractors Portal, includes postings of the Company's 'Expectations for Suppliers' and 'Guide to Doing Business with Bechtel' which are agreed as part of the registration process • Supplier and Contractor vetting and due diligence • Frequent communication and conducting physical or virtual visits of supplier facilities as determined by project needs and risk assessments • Supplier quality surveillance is performed in accordance with approved quality surveillance plans • Analysis of supplier payment data

Shareholder	
Why they are important to the Company	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	It is important for the long-term future of the Company that we protect and enhance the environment. The world's demands of both renewable and non-renewable resources are increasing to critical levels. It has become increasingly clear that current trends are having a damaging impact on our planet, ultimately putting our growth and well-being at risk and, in some cases, causing pressure on ecosystem health and biodiversity.
Guiding Principles	Impacts on the environment are managed through our ISO14001 certified Environmental Management System. This provides a materiality-based assessment of our operations at both facility and project level and is used to identify both positive and negative impacts. Where these impacts are negative, mitigations are implemented in accordance with accepted good practice.

Community	
Why they are important to the Company	We understand that our projects can have a lasting impact on the communities in which we operate, and we endeavour to leave a lasting legacy. We understand that together with our customers we need to secure a “licence to operate” by taking care to understand and address community concerns associated with the projects we deliver.
What matters to them	<ul style="list-style-type: none"> • Opportunities to win contracts • Safe, sustainable operations • Having appropriate and timely information on activities to come • Responsiveness to questions and complaints • Avoidance and/or minimisation 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 • Supporting education and training through STEM education, apprenticeships, and internships
Guiding Principles	Pursuant to the Company’s Sustainability Policy, and as embodied in the Company’s Vision, Value and Covenants 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.

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 Visions, Values and Covenants, are reflected in the key decisions taken by the Board during 2021, as summarised below.

Key Decisions in 2021 and Considerations of Stakeholders

1. COVID-19

To address the significant impact created by the COVID-19 pandemic, Bechtel sought to prioritise the health and safety of its secondees, deliver for its customers, and protect value for its shareholder. Actions taken in 2021 are summarised below.

Secondees

- Provided additional training on safety policies, procedures and protocols in preparation for the return to the office.
- Provided regular webinars hosted by external and internal presenters on a diverse range of mental and physical health topics.

Customers

The Company worked closely with its customers to address project delays and mitigate project delays.

Suppliers

The Company worked closely with the supply chain to proactively adjust to challenges and opportunities associated with the changing global setting and project lifecycle supply needs, taking into account community and regional health considerations and industry development with regard to sustainability practices.

2. Diversity and Inclusion (D&I)

The Company continued to focus on creating a diverse and inclusive culture. Fostering a bias-free culture that ensures equal opportunity for all personnel is core to our 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, 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.

3. Transfer of Shareholder

Due to an internal restructuring the ownership of the Company transferred from Bechtel Nuclear, Security & Environmental, Inc., to Bechtel Holdings Limited, effective January 1, 2022.