



## BECHTEL HOLDING LIMITED 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;
- Need to act fairly 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 Group 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 by the Company*

As the principal activity of the Company is to serve as the holding company of the Group subsidiaries, the Company does not have any employees, customers, or suppliers. The Company's primary stakeholders are its shareholder and subsidiaries. The Directors of the Company openly engage with the Board and senior management of the Company's shareholder and subsidiaries.

### *Stakeholders and Stakeholder Engagement by Group subsidiaries*

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

<b>Employees</b>	
Why they are important	Project successes hinges on a diverse and talented team. Employees forge the relationships with customers and collaboratively develop solutions that help customers build proud legacies based on positive impacts.
What matters to them	<ul style="list-style-type: none"> <li>• Equal opportunities for development and progression</li> <li>• Performance feedback</li> <li>• Transparency of promotion practices</li> <li>• Opportunities for career growth</li> <li>• Competitive pay and benefits</li> <li>• Opportunity to work on complex challenging work</li> <li>• Ability to make a difference</li> <li>• Diversity and inclusion</li> <li>• Health and safety</li> <li>• Work-life balance</li> </ul>
How we engage	<ul style="list-style-type: none"> <li>• Employee surveys, including an annual employee global engagement survey</li> <li>• Employee forum</li> <li>• Virtual Town Halls and podcasts with senior leaders</li> <li>• Global internal communications</li> <li>• Company intranet and internal social media sites</li> <li>• Trainings and webinars, including safety trainings</li> </ul> <p>Refer to section entitled '<i>Key Decisions in 2021 and Considerations of Stakeholders</i>' below.</p>
Guiding Principles	<p>The Group is committed to actively building (i) satisfying careers for its people full of purposeful work and challenging development opportunities; and (ii) a diverse, inclusive, and collaborative work environment where all views are welcomed.</p> <p>Health and safety of the workforce is a key priority. The Group has adopted a "Zero Incidents" philosophy that all work-related accidents, incidents, injuries, and illnesses are preventable. This philosophy promotes:</p> <ul style="list-style-type: none"> <li>• Constant awareness of each individual's responsibility to identify and eliminate unsafe practices and conditions in the workplace;</li> <li>• Building a safety culture such that all workers contribute to the effort, and all supervisors are fully aware of their team's capabilities and limitations and are held accountable for the team's actions; and</li> <li>• Building a culture in which everyone accepts responsibility and accountability for his or her own safety and health as well as the safety and health of co-workers.</li> </ul> <p>Guided by its Vision, Values and Covenants, the Group is committed to conducting all its business transactions properly, fairly, impartially, and ethically. The Group subsidiaries have developed ethics and compliance education and awareness programs in many subject areas in order to provide employees with job-specific compliance training and raise their level of awareness and sensitivity to key issues. All employees are required to participate in ethics awareness workshops annually and complete compliance training as assigned.</p>

<b>Customers</b>	
Why they are important	Building trusted business relationships with customers helps the Group achieve repeat business, which, in turn, positively impacts the Group's long-term growth. The Group's success is dependent on its understanding of, and response to the issues that are important to its customers.
What matters to them	<ul style="list-style-type: none"> <li>• Alignment of goals</li> <li>• Alignment and assistance on their goal to achieve net zero</li> <li>• Openness and transparency</li> <li>• Support for good causes</li> <li>• Fairness in business practices</li> <li>• Operating to the highest ethical standards</li> <li>• Ability to deliver large and complex projects</li> <li>• Reputation as a leading global engineering, procurement and construction company.</li> </ul>
How we engage	<ul style="list-style-type: none"> <li>• Ongoing dialogue with operations teams and meetings with senior management</li> <li>• Customer satisfaction surveys</li> <li>• Regular Board-level reporting on customer outcomes and customer initiatives</li> <li>• Use of relationship management plans and/or project communication plans</li> <li>• Social media platforms</li> </ul> <p>Refer to section entitled '<i>Key Decisions in 2021 and Considerations of Stakeholders</i>' below.</p>
Guiding Principles	In serving its customers, the Group is guided by its Vision to "Be the world's premier engineering, construction, and project management organization by achieving extraordinary results for our customers, building satisfying careers for our people, and earning a fair return on the value we deliver." Central to this vision is the Group's commitment to its values – ethics, safety, quality, people, culture, relationships, innovation and sustainability, and to its covenants – integrity, respect, collaboration, trust, and delivery.

<b>Suppliers and Subcontractors</b>	
Why they are important	Suppliers and subcontractors are critical to supporting a diverse business portfolio. Suppliers and subcontractors bring expert knowledge, innovation, quality, and integrity to its projects and customers. Leveraging the collective strength of suppliers and subcontractors will be key to supporting project delivery, as well as customers' efforts to achieve net zero.
What matters to them	<ul style="list-style-type: none"> <li>• Prompt payment</li> <li>• Opportunities to innovate and grow the relationship</li> <li>• Effective communication</li> <li>• Ethical business practices</li> </ul>
How we engage	<ul style="list-style-type: none"> <li>• Supplier and Contractors Portal, includes postings of the 'Expectations for Suppliers' and 'Guide to Doing Business with Bechtel' which are agreed as part of the registration process.</li> <li>• Supplier and Contractor vetting and due diligence</li> <li>• Frequent communication and conducting physical or virtual visits of supplier facilities as determined by project needs and risk assessment</li> <li>• Supplier quality surveillance is performed in accordance with approved quality surveillance plans</li> <li>• Analysis of supplier payment data</li> </ul> <p>In order to accelerate the pace of change to meet the transition to net zero, new ways of engagement with its suppliers and subcontractors for mutual benefit and the benefit of its customers are being considered.</p>
Guiding Principles	<p>The Group is committed to the highest standards of business ethics and corporate compliance. It is the Group's policy to deal only with organisations whose ethical standards are fully aligned with its own, and its ethical standards are outlined in its Code of Conduct. The Group'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 Group 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 Group 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.</p> <p>The Group's screening criteria for project awards includes sustainability criteria and awards include terms to motivate appropriate behaviours.</p>

<b>Shareholder</b>	
Why they are important	The shareholder(s) provides support, governance and input into strategic direction.
What matters to them	<ul style="list-style-type: none"> <li>• Financial performance</li> <li>• Strategy and business model</li> <li>• Strong returns</li> <li>• Protection of reputation</li> <li>• Sustainability</li> <li>• Safety</li> <li>• Ethical business practices</li> </ul>
How we engage (varies per subsidiary)	Open dialogue and regular reporting to the Board and senior management of the ultimate parent entity.
<b>Environment</b>	
Why is it important	It is important for the long-term future of the Group that the environment is protected and enhanced. 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 humanity's growth and well-being at risk.
Guiding Principles	<p>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.</p> <p>Refer to the section entitled '<i>Streamlined Energy and Carbon Reporting (SECR)</i>' in the Directors' Report on page 16.</p>
<b>Community</b>	
Why they are important	We understand that our projects can have a lasting impact on the communities in which we operate, and we endeavour to leave a lasting positive 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"> <li>• Jobs and other investment in local community</li> <li>• Opportunities to win contracts</li> <li>• Safe, sustainable operations</li> <li>• Having appropriate and timely information on activities to come</li> <li>• Responsiveness to complaints</li> <li>• Avoidance and/or minimization of impacts, including environmental impacts</li> </ul>
How we engage	<ul style="list-style-type: none"> <li>• Providing employment and work experience</li> <li>• Volunteering and donations</li> <li>• Training/upskilling of local people</li> <li>• Supporting our customers in community engagement and dialogue, including a complaints procedure</li> <li>• Supporting education and training through STEM education, apprenticeships, and internships</li> </ul>

<b>Community (continued)</b>	
Guiding Principles	Pursuant to the Group's Sustainability Policy, and as embodied in its Vision, Value and Covenants and Code of Conduct, the Group is committed to protecting people and the environment, partnering with communities and society, and promoting economic development. To that end, the Group 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.

*Key Decisions in 2021 of other Group subsidiaries*

1. *COVID-19*

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

*Employees*

- Provided regular communications to employees including the use of Town Halls, podcasts, email communications, and maintenance of a COVID-19 resource intranet page.
- Provided significant additional training on safety policies, procedures and protocol in preparation for the return to the office.
- Established teleworking designations and provided continued training with respect to telework practices and procedures.
- Provided regular webinars hosted by external and internal presenters on a diverse range of mental and physical health topics.
- Implemented health and wellbeing training and provision of Health and Wellbeing Champions on all UK & Ireland projects.

*Customers*

Group subsidiary entities worked closely with its customers to address project delay, cancellations and restarts.

*Suppliers*

Group subsidiary entities 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.

## *Shareholder*

The Board of Bechtel Limited did not declare a dividend with respect to financial year 2021.

## 2. *Diversity and Inclusion (D&I)*

### Bechtel Limited

Over the course of 2021, the following initiatives were taken by Bechtel Limited to translate the Bechtel group of companies' D&I Roadmap adopted in 2020 into actions that would make a difference:

- Revised project performance dashboards to include diversity and inclusion metrics to create greater visibility and accountability for performance.
- Reviewed and amended UK policies to ensure they reflect the commitment to creating a more inclusive work environment
- Established a UK & Ireland Diversity and Inclusion Council composed of 13 members to hold senior leaders accountable for implementation of diversity and inclusion recommendations.
- Established Men Advocating Real Change (MARC) dialogue teams and commenced monthly training sessions, which encourages participants to make changes in their day-to-day work interactions to nurture a more inclusive environment.

Bechtel Limited's Gender Pay Gap Taskforce undertook the following actions to improve its gender pay gap, which is believed to be primarily driven by the under representation of women in senior roles:

- Trialled a new gated process with a goal of having at least one woman shortlisted for each senior vacancy.
- Launched regular dedicated female talent reviews to drive visibility of the talent pipeline and identify specific opportunities for development, including mentoring and sponsorship.
- Reviewed its flexible working policy, including updating job descriptions to assist women in maintaining their careers through changes in family circumstances.
- Actively sought construction site-based assignments for early career hires to ensure women get this experience.
- Conducted 'empower' workshops for nominated female employees.
- Reviewed job descriptions and developed more gender friendly job advertisements.
- Commenced advertising job vacancies with the Society of Women Engineers and Women in Science and Engineering.
- Completed a comprehensive review of the maternity/ paternity policies and benefits.
- Extended bonus eligibility to employees on maternity leave.
- Established an expert single point of contact for employees on maternity, paternity, or shared parental leave.

- Conducted “Know Your Policy” sessions to inform employees of maternity, paternity and shared parental leave policies.
- Established a “buddy scheme” to connect those who have been on maternity leave to those about to go on maternity leave.

### Saudi Arabian Bechtel Company

During 2021, Saudi Arabian Bechtel Company hosted a Courageous Leadership Workshop intended to transform leaders’ and teams’ ability to connect across difference. In addition, during 2021, Saudi Arabian Bechtel Company planned the following diversity and inclusion initiatives for implementation during 2022:

- Formation of a Kingdom of Saudi Arabia women@Bechtel chapter.
- Formation of a steering committee to increase gender representation in the Kingdom of Saudi Arabia.

### 3. *Modern Slavery and Human Trafficking*

In June 2021, the Board of Bechtel Limited approved its annual Modern Slavery Act Statement pursuant to Section 54 of the UK Modern Slavery Act 2015.

### 4. *Pension*

The Board of Bechtel Limited received regular reports regarding the funding position of its pension plan and determined that the plan was fully funded at the determination dates.

### 5. *Occupational Health and Wellbeing*

Bechtel Limited occupational health and wellbeing strategy is to create a proactive caring culture of health and wellbeing, preventing ill-health and promoting optimal health, to enable its people to achieve their full potential. The momentum generated in 2020 in response to working in lockdown continued into 2021 with most staff working from home. The Company provided several webinars and workshops hosted by external and internal presenters on a diverse range of mental, physical and financial health topics on subjects such as dealing with uncertainty, developing emotional agility, suicide prevention, alcohol awareness, prostate cancer, menopause, and approaching retirement. In addition, employees who were eligible for a regular medical check-up were given the opportunity to do this through a specialised health facility close to their homes.

### 6. *Additional Office Location*

During 2021, a decision was made to source a second office location in central London to be closer to the Company’s customer base. In addition, central public transport links will benefit employees and reduce their carbon footprint.