



**BECHTEL 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 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/or the principles that guide engagement.

<b>Employees</b>	
Why they are important to the Company	The success of the Company’s projects hinge on a diverse and talented team. The Company’s 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>

<b>Employees (continued)</b>	
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 for more detail regarding increased engagement during COVID-19.</p>
Guiding Principles	<p>The Company aspires to be the employer of choice in its industry and 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 its workforce is a key priority of the Company and the Directors. The Company 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 Company is committed to conducting all its business transactions properly, fairly, impartially, and ethically. The Company has 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 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.
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 of the Company 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 for more detail regarding increased engagement during COVID-19.</p>
Guiding Principles	In serving its customers, the Company is guided by its Vision to "Be the world's premier engineering, construction, and project management organisation 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 Company's commitment to its values – ethics, safety, quality, people, culture, relationships, innovation and sustainability, and its covenants – integrity, respect, collaboration, trust, and delivery.

**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>
<p>What matters to them</p>	<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>
<p>How we engage</p>	<ul style="list-style-type: none"> <li>• 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.</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 assessments</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, the Company is considering new ways of engagement with our suppliers and subcontractors for mutual benefit and the benefit of our customers</p>
<p>Guiding Principles</p>	<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 organizations 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>

<b>Shareholder</b>	
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"> <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	The Board and senior management of the Company openly engage with and provide regular reporting to the Board and senior management of the Company's ultimate parent entity, Bechtel Group, Inc.
<b>Environment</b>	
Why is it important to the Company	It is important for the long-term future of our 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 humanity's growth and well-being at risk.
Guiding Principles	<p>Impacts on the environment are managed through the Company's ISO14001 certified Environmental Management System. 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 impacts. Where these impacts are negative, mitigations are implemented in accordance with accepted good practice.</p> <p>As part of our reporting on impacts on the environment and in line with Streamlined Energy and Carbon Reporting (SECR) the Company is required to declare its carbon emissions. Refer to the section entitled '<i>Streamlined Energy and Carbon Reporting (SECR)</i>' in the Strategic Report on page 15.</p> <p>The Company is developing its carbon reduction plan with interim targets which it anticipates will be published in 2022.</p>

<b>Community</b>	
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 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 that may affect them</li> <li>• Responsiveness to questions and 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>
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 summarized below.

### *Key Decisions in 2021 and Considerations of Stakeholders*

#### *1. COVID-19*

To address the significant impact created by the COVID-19 pandemic, the Company sought to address additional health and safety concerns of its employees, delivery to its customers, and

protect value for its shareholders. Actions taken in 2021 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 protocols 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*

The Company continued to work closely with its customers to address and mitigate project delays, cancellations and re-starts.

### *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.

### *Shareholder*

As further discussed below under the heading “Dividends,” the Board determined not to approve the payment of a dividend with respect to the financial year 2021.

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

Some important steps were taken in 2020 with the appointment of a Global Chief Diversity and Inclusion Officer and the publication of a strategic D&I Roadmap. Over the course of 2021, local steps were taken to translate the roadmap into actions that would make a difference:

- Revised the Company’s 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 Company's 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.

### 3. *Dividends*

In determining not to approve the payment of a dividend with respect to the financial year 2021, the Board considered:

- The economic uncertainties due to the ongoing effects of COVID-19;
- The shareholder's desire for a distribution of profits;
- The need to maintain sufficient capital to fund growth of the Company;
- The desire to meet customer proposal requirements;
- Compliance with solvency rules and regulations; and
- Need for capital to fund pension liabilities.

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

The Company is committed to ensuring that there is no modern slavery or human trafficking in its supply chain or in any part of its business. In June 2021, the Board approved its annual Modern Slavery Act Statement pursuant to Section 54 of the UK Modern Slavery Act 2015. The statement describes our robust approach to managing this issue including preventive steps we take through risk assessments, due diligence processes, standard contract language, integrating into supplier quality surveillance, audits and training.

### 5. *Pension*

The Board received regular reports regarding the funding position of the Company's pension plan and determined that the plan was fully funded at the determination dates.

### 6. *Occupational Health and Wellbeing*

The aim of the Company's 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 home.



## *7. 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.