



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;
- Need to act fairly between stakeholders 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 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 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.

Employees	
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.



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

Section 172(1) Statement (Continued)

Stakeholders and Stakeholder Engagement by Group subsidiaries (Continued)

Employees (Continued)	
What matters to them	<ul style="list-style-type: none"> • Equal opportunities for development and progression • Performance feedback • Transparency of promotion practices • Opportunities for career growth • Competitive pay and benefits • Opportunity to work on complex and challenging work • Ability to make a difference • Diversity and inclusion • Health and safety • Work-life balance
How we engage	<ul style="list-style-type: none"> • Employee surveys, including an annual employee global engagement survey • Employee forum • Virtual Town Halls and podcasts with senior leaders • Global internal communications • Company intranet and internal social media sites • Trainings and webinars, including safety trainings <p>Refer to section entitled 'Key Decisions in 2022 and Considerations of Stakeholders' below.</p>
Guiding Principles	<p>The Group is committed to actively building and maintaining (i) satisfying careers for its employees, full of purposeful work and challenging development opportunities; (ii) a diverse, inclusive, and collaborative work environment and (iii) a work environment that is free from all discrimination, harassment, and retaliation. 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"> • Constant awareness of each individual's responsibility to identify and eliminate unsafe practices and conditions in the workplace; • 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 • 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-worker.



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

Section 172(1) Statement (Continued)

Employees (Continued)	
Guiding Principles (Continued)	Guided by its Vision, Values and Commitments, the Group is committed to conducting all its business transactions properly, fairly, impartially, and ethically. The Group's 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.
Customers	
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"> • 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 as a leading global engineering, procurement and construction company • Cost-efficient solutions • Providing value to our customers • Leading innovation • Providing digital solutions
How we engage	<ul style="list-style-type: none"> • Ongoing dialogue with operations teams and meetings with senior management • Customer satisfaction surveys to receive feedback on points to consider and continue • Regular Board-level reporting on customer outcomes and customer initiatives • Use of relationship management plans and/or project communication plans • Social media platforms <p>Refer to section entitled 'Key Decisions in 2022 and Considerations of Stakeholders' below.</p>



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

Section 172(1) Statement (Continued)

Customers (Continued)	
Guiding Principles	<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 Group is guided by its Vision - "Extraordinary teams building inspiring projects." Central to this vision are the Group'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
Suppliers and Subcontractors	
Why they are important	<p>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.</p>
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
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



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

Section 172(1) Statement (Continued)

Suppliers and Subcontractors (Continued)	
How we engage (Continued)	We continue to explore opportunities to support changes to meet the transition to net zero and develop innovation together with the supply chain. The Group 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.
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.</p> <p>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, advance the economics of the local community, prevent modern slavery and promote supplier diversity.</p>
Shareholder	
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"> • Financial performance and returns • Strategy and business model • Protection of reputation • Sustainability • Safety • Ethical business practices
How we engage (varies for each subsidiary)	Open dialogue and regular reporting to the Board and senior management of the ultimate parent entity, Bechtel Group, Inc.



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

Section 172(1) Statement (Continued)

Environment	
Why is it important	The energy transition and the shift towards net zero present strategically important business opportunities for the Group. To remain leaders in the delivery of best practices in the industry, the Group needs to minimise negative environmental impacts aligning its targets with the aims of its client base and societal changes. The Group’s focus on decarbonisation is helping to mitigate the impact of our work and our customers’ projects.
Guiding Principles	Pursuant to the Group’s Sustainability Policy, and as embodied in the Group’s Vision, Value and Commitments and Code of Conduct, the Group is committed to protecting the environment. We believe that sustainability principles and respect for natural resources are inherent to all planning and work performed.
How we engage	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 risks and opportunities. In line with “The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard”, the Company reports its carbon emissions. Refer to the section entitled ‘ <i>Streamlined Energy and Carbon Reporting (SECR)</i> ’ in the Directors’ Report on page 17.
Community	
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"> • 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 • Support for good causes



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

Section 172(1) Statement (Continued)

Community (Continued)	
How we engage	<ul style="list-style-type: none"> • Providing employment and work experience • 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, charterships, internships and a structured graduate programme.
Guiding Principles	<p>Pursuant to the Group’s Sustainability Policy, and as embodied in its Vision, Value and Commitments 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.</p>

Key Decisions in 2022 of other Group subsidiaries

1. *Diversity and Inclusion (D&I)*

Bechtel Limited

The Group 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. Bechtel Limited 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.



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

Section 172(1) Statement (Continued)

Key Decisions in 2022 of other Group subsidiaries (Continued)

1. *Diversity and Inclusion (D&I) (Continued)*

Over the course of 2022, the following actions were taken that would make a difference including to reduce Bechtel Limited's gender pay gap, which is believed to be primarily driven by the under representation of women in senior roles:

- Reviewed and amended Bechtel Limited's policies to ensure they reflect Bechtel Limited's commitment to creating a more inclusive work environment.
- Revised Bechtel Limited'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 Bechtel Limited.
- 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.
- 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 and held monthly training sessions, to encourage participants to make changes in their day-to-day work interactions to nurture a more inclusive environment.



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

Section 172(1) Statement (Continued)

Key Decisions in 2022 of other Group subsidiaries (Continued)

1. Diversity and Inclusion (D&I) (Continued)

Saudi Arabian Bechtel Company aligns to the Bechtel group of companies' global approach to D&I and have also launched the following in 2022:

- Launched a Women@Bechtel chapter which has 280 members. Programmes offered by the chapter include medical awareness sessions and opportunities to virtually participate in the Women's Leadership Conference held in the USA.
- Formation and launch of a steering committee to increase gender representation in the subsidiary. The committee has noted that the percentage of women employed by Saudi Arabian Bechtel Company has increased and continues to increase.

2. Modern Slavery and Human Trafficking

In June 2022, the Board of Bechtel Limited approved its annual Modern Slavery Act Statement pursuant to Section 54 of the UK Modern Slavery Act 2015. The statement together with Bechtel Limited's Human Trafficking and Slavery and Sustainability Policies reflect its commitment to maintaining a work environment free from human trafficking, slavery, servitude, and forced or compulsory labour; respecting human rights in accordance with the spirit and intent of the United Nations Guiding Principles on Business and Human Rights; and maintaining systems and processes to avoid complicity in any practice that constitutes human trafficking or slavery.

3. 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.

4. Occupational Health and Wellbeing

Bechtel Limited has a dedicated Health Services leader to oversee its Health and Wellbeing programme. The aim of Bechtel Limited'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 employees to achieve their full potential. As employees work in different locations, several webinars and workshops hosted by external and internal presenters were provided on a diverse range of mental, physical, social and financial health topics on subjects such as pension planning, navigating uncertainty, understanding bereavement, grief and loss, suicide awareness panel event, burnout and bounce back ability, menopause, musculoskeletal disorders, prevention and treatment and approaching retirement.

Bechtel Holdings Limited

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

Section 172(1) Statement (Continued)

Key Decisions in 2022 of other Group subsidiaries (Continued)

5. *Additional Office Location*

During 2022, Bechtel Limited rented an additional office location in central London to be physically closer to its customer base. In addition, central public transport links benefit employees with their commute to the office, attracts talent who want to be located in central London, maintains team ethos and performance and reduces their carbon footprint.

On behalf of the Board



K Hennessey
Director
21 September 2023