

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 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 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.



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

Section 172(1) Statement (continued)

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	
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"> • Equal opportunities for development and progression • Performance feedback • Transparency of promotion practices • Opportunities for career growth • Competitive pay and benefits • Pay equity • Opportunity to work on meaningful, inspiring and rewarding work • Ability to make a difference • Diversity, Fairness, and Equality in the workplace • Health and safety • Work-life balance • A sense of belonging • Training and learning opportunities • Innovation and encouraging creativity
How we engage	<ul style="list-style-type: none"> • Employee surveys, including an annual employee global engagement survey • Employee forum to provide a platform for senior managers and employees to consult on business policy and practice through open two-way communication and provides an opportunity for senior management to receive and listen to the views, ideas and opinions of its employees



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

Section 172(1) Statement (continued)

Employees (continued)	
<p>How we engage (continued)</p>	<ul style="list-style-type: none"> • Town Halls, All-Hands meetings and podcasts with senior leaders where employees have an opportunity to ask questions on a variety of topics • Global internal communications • Company intranet and internal social media sites • Trainings and webinars, including safety trainings and awareness around mental health, stress management and wellbeing. • To ensure inclusivity, the Company have several Business Resource Groups (BRGs) which hold specific events to enhance the Company culture. BRGs play a critical role in helping create a diverse culture of equity and inclusion. BRGs focus on fostering an inclusive community, raising awareness of the diverse cultures, traditions and values amongst employees, making the Company the employer of choice for women and bringing together LGBTQ+ colleagues. This is primarily done through professional development, professional networking, orientation, and stewardship activities.
<p>Guiding Principles</p>	<p>The Company aspires to be the employer of choice in its industry and is committed to actively building and maintaining: (i) satisfying careers for its people 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.</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"> • 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. • 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. <p>Guided by its Vision, Values and Commitments, 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>



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

Section 172(1) Statement (continued)

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.
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 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
How we engage	<ul style="list-style-type: none"> • Deep long-term relationships built with senior management • 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 • Knowledge transfer initiatives • Presence in global forums • Training and learning opportunities
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 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>



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

Section 172(1) Statement (continued)

Customers (continued)	
Guiding Principles (continued)	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.
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 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.
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 <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>
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>



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

Section 172(1) Statement (continued)

Suppliers and Subcontractors (continued)	
Guiding Principles (continued)	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.
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 • Protection of reputation • Sustainability • Safety • Ethical business practices • Employee occupational health and wellbeing
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.
Environment	
Why is it important to the Company	The energy transition and the shift towards net zero present strategically important business opportunities 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 our work and 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. We believe that sustainability principles and respect for natural resources are inherent to all planning and work performed.



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

Section 172(1) Statement (continued)

Environment (continued)	
How we engage	<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 risks and opportunities.</p> <p>In line with "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard", the Company reports its carbon emissions.</p> <p>Refer to the section entitled '<i>Streamlined Energy and Carbon Reporting (SECR)</i>' in the Strategic Report.</p>
Community	
Why they are important to the Company	<p>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.</p>
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
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 • Community engagement plan with a communication plan • Supporting education and training through STEM education, apprenticeships, charterships, internships and a structured graduate programme. • Monitor and document community stakeholders' issues, changing conditions, and the effectiveness of mitigation measures.



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

Section 172(1) Statement (continued)

Community (continued)	
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.

The Directors recognise the long-term consequences of their 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 the Company's 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. 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.

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.

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

Section 172(1) Statement (continued)

Key Decisions in 2022 and Considerations of Stakeholders (continued)

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

- 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.
- 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.

2. *Dividends*

In determining not to approve the payment of a dividend with respect to the financial year 2022, the Board considered:

- 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.

3. *Modern Slavery and Human Trafficking*

The Company is committed to ensuring that there is no form of modern slavery or human trafficking in its supply chain or in any part of its business. In June 2022, the Board approved its annual Modern Slavery Act Statement pursuant to Section 54 of the UK Modern Slavery Act 2015. The statement together with the Company'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.

Bechtel 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)

4. *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.

5. *Occupational Health and Wellbeing*

The Company has a dedicated Health Services Leader to oversee the Company's Health and Wellbeing programme. 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 employees to achieve their full potential. As employees work in different locations, the Company provided several webinars and workshops hosted by external and internal presenters 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. 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.

The Company held a two-day training course on the topic of "Mental Fitness for Managers" led by an external provider. General wellbeing activities included social quizzes, step challenges, monthly newsletters, and advice on budgeting, debt and savings.

Mental Health First Aiders and Health and Wellbeing Champions are located in various offices and projects throughout the UK & Ireland as a point of contact for employees to receive confidential mental health support from trained colleagues within the Company.

The Company's employees have access to the Employee Assistance Programme which provides advice on a broad range of life, health/wellbeing and career/work practice topics. The Programme includes access to counselling, confidential telephone support, bereavement counselling and elderly care support advice information.

6. *Additional office location*

During 2022, the Company rented an additional office location in central London to be physically closer to the Company's 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



Mrs N Skinner
Company Secretary
14 June 2023