



**BECHTEL LIMITED**  
**2019 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 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 2019.

This statement has been prepared in accordance with the requirements of The Companies (Miscellaneous Reporting) Regulations 2018, which require the Company to describe how the Directors have considered the matters set out in Section 172 of the Companies Act 2006 during the financial year under review.

*Stakeholders and Stakeholder Engagement*

The Company is committed to effective engagement with all of its stakeholder groups. By understanding each stakeholder group and their views, the Directors can factor into boardroom discussions the impact of decisions on each stakeholder group, in accordance with Section 172 of the Companies Act 2006.

The chart below sets forth the key stakeholder groups and summarizes (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 them.

<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 Companies employees forge the relationships 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>• Opportunities for development and progression</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> </ul>
How we engage	<ul style="list-style-type: none"> <li>• Annual employee global engagement survey</li> <li>• Employee forum</li> <li>• Town Halls with senior leaders</li> <li>• Global internal communications</li> <li>• Company intranet</li> </ul>



<b>Customers</b>	
Why they are important to the Company	The Company's long-term success is dependent on its understanding and responding to the issues that are important to its Customers.
What matters to them	<ul style="list-style-type: none"> <li>• Safety</li> <li>• Long-term partnerships</li> <li>• Quality and on-time delivery</li> <li>• Technology improvements</li> <li>• Sustainability</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> </ul>
<b>Suppliers and Subcontractors</b>	
Why they are important to the Company	Suppliers and subcontractors are critical to supporting the Company's diverse business portfolio. The Company depends on suppliers and subcontractors to bring expert knowledge, innovation, quality, and integrity to its projects and customers.
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> </ul>
How we engage	<ul style="list-style-type: none"> <li>• 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."</li> <li>• Supplier and Contractors Portal</li> <li>• Supplier and Contractor vetting and due diligence</li> <li>• Frequent communication and regular visits to supplier facilities</li> <li>• Supplier quality surveillance is performed in accordance with approved quality surveillance plans</li> <li>• Analysis of supplier payment data</li> </ul>
<b>Shareholder</b>	
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"> <li>• Financial performance</li> <li>• Strategy and business model</li> <li>• Strong returns</li> <li>• Protection of reputation</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 and Community</b>	
Why they are important to the Company	As the Company relies on the environment as one of its key resources, the protection of the environment is vital for the sustainability of the Company's business. The Company is committed to supporting the communities in which it operates, including local businesses, residents and the wider public.
What matters to them	<ul style="list-style-type: none"> <li>• Reduction of environmental impacts</li> <li>• Jobs and other investment in local community</li> <li>• Safe Operations</li> </ul>
How we engage	<ul style="list-style-type: none"> <li>• Providing employment and work experience</li> <li>• Volunteering and charity work</li> </ul>



The Board is cognisant of 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 act fairly between the members of the Company. These considerations, and the concerns of our stakeholders, are reflected in the decisions taken by the Board during the year, a number of which are detailed below.

#### *Key Decisions in 2019 and Considerations of Stakeholders*

- 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. The Directors believe that the Company's long-term success is not only dependent on the quality of its work, but also on the way it conducts business. In June 2019, the Board approved its annual Modern Slavery Act Statement pursuant to Section 54 of the UK Modern Slavery Act 2015. Also, in 2019, management of the Company received modern slavery awareness training via a presentation. Following that training presentation, a module addressing modern slavery and human trafficking was integrated into the standard contracts training for the Company.
- In determining not to approve the payment of a dividend with respect to the financial year 2019, the Board considered:
  - The shareholder's desire for a distribution of profits;
  - The need to maintain sufficient capital to fund growth of the Company;
  - Financing requirements;
  - The desire to meet customer proposal requirements;
  - Compliance with solvency rules and regulations; and
  - Need for capital to fund pension liabilities.

#### *Key Decisions in 2019 and Considerations of Stakeholders (Continued)*

- The Company continually monitors and evaluates its environmental impacts. In 2019 the Company developed environmental performance indicators to report on leading and lagging indicators across its projects and offices.
- The Company continued its focus on creating a diverse and inclusive culture where every team member feels valued and respected and knows they belong. To that end, in 2019 the Company (i) hosted a series of internal and external workshops to promote diversity and inclusion and increase awareness of the leadership skills and approaches needed for a diverse and inclusive culture, (ii) hosted a Diversity and Inclusion Summit to raise awareness on the importance of diversity and inclusion, (iii) developed an "Inclusive Meetings Guide"; and (iv) established an "Inclusion Champions" group composed of senior managers and leaders with a purpose of further promoting the Company's focus on diversity and inclusion.
- The Company increased its internal efforts to increase education, awareness, and open dialogue on mental health issues and to provide support resources. In 2019, the Company held various mental health awareness sessions and sponsored a Mental Health Awareness Week. In addition, an initial number of Company personnel were trained to be mental health first aiders.
- In 2019, the Company continued its focus on health and well-being of employees and sponsored various health programs, including a step challenge, 1:1 nutrition consultations and blood pressure checks.