



BUDIMEX GROUP

REPORT ON NON-FINANCIAL INFORMATION FOR 2021

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1. About the Budimex Group

[GRI 2]

1.1. Business model of the Budimex Group

[GRI 2-1] [GRI 2-6]

The Budimex Group provides a wide range of construction and assembly services performed in the general contractor system in the country and abroad, deals with production and offering of services, municipal waste management, comprehensive road maintenance, as well as technical maintenance of buildings. Until 24 May 2021, i.e. until the sale of Budimex Nieruchomości Sp. z o.o., the Budimex Group also conducted development activities and managed real estate.

As part of construction activities Budimex SA, Budimex Kolejnictwo SA and Budimex Budownictwo Sp. z o.o. carry out tasks in all market segments, starting from road, railway and hydrotechnical infrastructure, through housing construction facilities, up to complex power and industrial projects. Mostostal Krakow SA specialises in the manufacture and assembly of steel structures and equipment for the cement and lime, power, steel and chemical industries, as well as offering design services.

Construction activity is carried out mainly in Poland, and on a limited scale also on foreign markets. Budimex Bau GmbH started in 2021 the acquisition of construction contracts on the German market, and the newly established companies Budimex Construction Prague s.r.o. and Budimex Slovakia s.r.o. will expand Budimex's activities on the Czech and Slovak markets.

The Group makes every effort to complete the entrusted tasks on time, maintaining high safety and quality standards. Many years of experience in the construction sector enables it to offer a full range of high quality general contracting works.

FBSerwis Group companies within the service activities deal with waste management, provide comprehensive services of road infrastructure maintenance and management of lighting infrastructure and technical service of buildings.

1.2. Contracts of Most Significance

INFRASTRUCTURE CONSTRUCTION

Kamień – Podgórze section of the S19

In 2021, Budimex put into operation the S19 expressway section of more than 10 km in the Podkarpackie Province. As part of the investment, we constructed a two-lane express road with emergency lanes, access roads connecting it to the existing network of roads, noise-blocking screens, animal crossings, green areas, seven flyovers, five bridges, and five ecological crossings.

Brzozowo – Miękowo and Miękowo – Rzęsnica sections of the S3

In 2021, Budimex completed the construction of two sections of the S3 expressway: Brzozowo – Miękowo of 22.14 km and Miękowo – Rzęsnica of 4 km, in the Zachodniopomorskie Province. The S3 is one of the most crucial transportation routes in the Zachodniopomorskie Province.

Stawiski – Szczuczyn section of the S61

The contract for the construction of the S61 expressway, section: Stawiski junction (without the junction) – the beginning of Szczuczyn ring road was completed in the 'Design and Build' formula, its net value was about PLN 300 million. The section under the project was built as part of the Via Baltica route. The construction of the S61 expressway improved the functioning of national and provincial roads, separated heavy traffic from built-up areas and limited negative impact of exhaust gases on the environment.

Biskupia Górka flyover

Within the project, a completely new road arrangement is being created along the main artery for the Tricity – ul. Trakt św. Wojciech. The investment included also the construction of the access viaduct together with retaining walls, the adjacent viaduct above ul. Nowe Podwale Grodzkie, the bridge above Radunia Channel, reconstruction of access roads and elements of the railway infrastructure as well as construction of the Park&Ride multi-level car park.

Extension of the 'Żelazny Most' Mining Waste Treatment Facility

The 'Żelazny Most' Mining Waste Treatment Facility is a site for depositing copper ore flotation waste from all the mining plants of KGHM Polska Miedź SA and the largest facility of this type in Europe. The modern construction technologies implemented by Budimex will ensure the efficient use of the facility and the development of KGHM in the copper basin. Within the extension of the facility, the safest construction option and sealing of dams was performed both in terms of the hydrotechnical and environmental properties. The net value of the contract amounted to PLN 588 million. 'Żelazny Most' is environmentally neutral and completely protects the natural surroundings from water accumulating in the reservoir.

DK12 in Chełm

The contract completed in the 'Design and Build' formula concerned the alteration of the DK12 within the city limits of Chełm, along a length of about 8.2 km, together with the alteration and construction of the essential associated infrastructure, which includes 5.5 km of local and service access roads. The construction works included a comprehensive alteration of several streets, the Uherka river bridge and the viaduct above the former railway siding along Al. Przyjaźni. A new viaduct above the railway tracks and bus stops were also built. Noise-blocking screens were installed and over 8 km of cycle paths were built.

Tuszyn – Piotrków Trybunalski section of the A1

Within the investment worth nearly PLN 389 million, the Budimex and Strabag consortium completed an important section of the A1 motorway with a length of about 16 km. The section follows an already existing road. Concrete surface is a novelty. After the completion of the works, drivers have two lanes in each direction of the road and an emergency lane. In addition, a new exit to Warsaw from the road going to Łódź and vice versa was performed from the 'Piotrków Trybunalski Zachód' junction. The motorway is part of the Trans-European Transport Network (TEN-T) and the project called 'Gdańsk – Brno / Bratislava – Vienna Motorway'.

RAILWAY CONSTRUCTION

Modernisation of the Warsaw – Lublin section of the LK7

The modernisation of the LK7 connecting Warsaw with Lublin for PKP PLK is the largest railway investment from the National Railway Programme for 2015-2020 in the amount of PLN 1.5 billion. The works were realised within a consortium of Mostostal Kraków SA (leader), PKP Energetyka SA and Schweerbau GmbH. The scope of works included a comprehensive reconstruction of 120 km of tracks and the construction – at the Dęblin station – of the largest railway bridge within this project with a length of 159.6 m.

GENERAL CONSTRUCTION

Rother's Mills in Bydgoszcz

In April 2021, Budimex completed works at the Rother's Mills complex. The subject of the contract with the City of Bydgoszcz was the performance of construction works consisting in the reconstruction, extension and change of the manner of use of the Rother's Mills, the Grain Granary, the Flour Granary and the Baths for the needs of a multifunctional service facility. The usable area of the investment amounted to 12,844.84 m². The Rother's Mills in Bydgoszcz received an award in the Masterpiece of Building Art 2021 competition in the category of revitalised facilities.

R&D centre of PKN ORLEN in Płock

In 2021, Budimex completed its works and the R&D Centre was handed over to the investor, PKN ORLEN. The contract net value is about PLN 167 million. The investment was carried out in the EPC formula (engineering, procurement, construction). Apart from carrying out design work, the task of Budimex was also to construct and equip buildings in the Centre on a turnkey basis and to start up the delivered equipment, such as measurement and laboratory equipment. The aim of the R&B Centre in Płock is to take action to develop the oil refining and petroleum industry, to implement new technical solutions and to work on new technologies and products.

ENERGY AND INDUSTRIAL CONSTRUCTION

Completion of the construction of a new combined heat and power plant in Vilnius

On 1 October 2021, the combined heat and power plant in Vilnius obtained the permit for use, which was the last step towards the completion of the project by the Budimex SA and Steinmüller Babcock Environment GmbH

consortium with a value of EUR 178 million. The plant was equipped with a boiler fired with waste (municipal and RDF) supplying the turbine with a power of 18.8 MWe. According to the contract, a complete waste-to-energy plant was built, including auxiliary equipment and a turbine island, together with the power output of the biomass-fired plant.

Turów Power Plant

Within the consortium with Mitsubishi Power Europe GmbH and Tecnicas Reunidas SA, Budimex built a separate power block of 450 MW in the power plant. Under the contract, the block was equipped with all technological systems necessary for its operation. The works included the preparation of the construction site, delivery of block elements, their assembly and start-up. The net value of the project was PLN 3.646 billion.

Operational Acceptance of the Strachocina – Polish Border gas pipeline

Budimex in a consortium with Mostostal Kraków completed in the Podkarpackie Province the construction of a strategic high-pressure gas pipeline, which is an important element of the Poland – Slovakia interconnection. In August 2021 the gas pipeline was technically connected by a 'golden weld' with the gas pipeline on the Slovak side. During the implementation, trenchless technologies were used, such as: HDD (horizontal directional drilling) or microtunnelling. The net value of the contract amounted to PLN 521.48 million.

1.3. Financial results

[GRI 201-1]

	Budimex Group (PLN thousand)	
	2020	2021
Sales revenues	7,709,106	7,911,192
Total costs	(7,265,582)	(7,358,139)
Operating profit	447,433	587,085
Net profit on continuing operations	313,696	465,946
Net profit on discontinued operations	157,698	520,508
Net profit	471,394	986,454

As a result of the execution on 22 February 2021 of the conditional agreement for sales of all shares in the subsidiary Budimex Nieruchomości Sp. z o.o., and then the execution on 24 May 2021 of the dispositive agreement, the Group presents the entire segment of 'development activities and real estate management' as discontinued activities. Thus, in accordance with IFRS 5, data for 2020 were restated.

1.4. Key non-financial performance indicators

Key non-financial performance indicators are monitored at the level of the Budimex SA parent company.

	Unit	Budimex SA		
		2020	2021	year-on-year change
Personnel area				
Number of employees	No.	7 273	6 939	-4,2%
Total number of accidents at work among the employees	No.	62	46	-25,8%
Average number of training hours per employee	hours	12,1	14	+15,7%
Ratio of basic salary of men and women	%	- (there was a change in the method of data collection according to the employee classification category)	76.7%	-

	Unit	Budimex SA		
		2020	2021	year-on-year change
Social area				
Amount of donations	PLN thousand	4,094.0	1,681	-59.0%
Environmental area				
Total electricity consumption	MWh	19,967.93	14,349.03	-28.1%
Scope 1+2 market-based GHG emissions	Mg CO ₂ e	95,304.9	64,598.4	-32.2%
Total water consumption	m ³	167,996.7	108,686.4	-35.3%
Corruption counteracting and human rights area				
Number of confirmed corruption incidents	No.	0	0	-
Number of confirmed cases of human rights violations	No.	0	0	-

1.5. Awards and distinctions in 2021

In 2021, the Budimex Group received the following awards and distinctions:

- Poland's most attractive employers #2 Budimex by Engineering Students
- 15th Ranking of the Most Valuable Polish Brands of the Rzeczpospolita daily (46th place)
- Best Quality Employer 2021 CK
- 15th place in the ranking by Nowy Przemysł and Wirtualny Nowy Przemysł of the 1000 largest industrial companies
- 3rd place in the 'Build Safely 2021' competition for the construction of Nowe Marzy – Dworzysko section of the S5
- Top Brand 2021 – first place in the category of construction companies and developers
- Sustainable Construction Leader – the Sustainable Economy Diamonds
- Construction of the Year in the north-eastern region – Sybir Memorial Museum in Białystok
- Construction of the Year in the north-eastern region – Railway Station in Białystok
- FilmAT Tourism Film Festival – for a film from the construction of the Sybir Memorial Museum in Białystok
- Five Construction of the Year 2020 awards – Retention Reservoir in Racibórz, Monopolis in Łódź, Wola Retro in Warsaw, Idzikowice railway station, Communication Centre in Kielce
- 2nd place in the 'Construction' category in the ranking of the Best Polish Employers published by Forbes
- Top Builder – for the construction of Otwock – Nałęczów section of the LK7
- Construction Brand of the Year 2021

1.6. Structure of the Capital Group

[GRI 2-2]

As of 31 December 2021 and as of the day of submitting this report, the structure of the Budimex Capital Group was as follows:

Budimex SA – Parent Company (as of 31 December 2021):

Consolidated subsidiaries:

- Mostostal Kraków SA – 100% of shares
- Mostostal Kraków Energetyka Sp. z o.o. – 100% of shares
- Budimex Bau GmbH – 100% of shares
- Budimex Budownictwo Sp. z o.o. – 100% of shares
- Budimex Kolejnictwo SA – 100% shares
- Budimex Parking Wrocław Sp. z o.o. – 51% of shares
- FBSerwis SA – 100% shares
- FBSerwis A Sp. z o.o. – 100% of shares
- FBSerwis B Sp. z o.o. – 100% of shares

- FBSerwis Karpatia Sp. z o.o. – 100% of shares
- FBSerwis Wrocław Sp. z o.o. – 100% of shares
- FBSerwis Dolny Śląsk Sp. z o.o. – 100% of shares
- FBSerwis Odbior Sp. z o.o. – 100% of shares
- FBSerwis Kamieński Sp. z o.o. – 80% of shares
- JZE Sp. z o.o. – 100 % of shares
- FBSerwis Paliwa Alternatywne Sp. z o.o. – 100% of shares

Non-consolidated subsidiaries:

- Budimex Most Wschodni SA – 100% of shares
- Budimex PPP SA – 100% of shares
- Budimex A Sp. z o.o. – 100% of shares
- Budimex C Sp. z o.o. – 100% of shares
- Budimex D Sp. z o.o. – 100% of shares
- Budimex F Sp. z o.o. – 100% of shares
- Budimex H Sp. z o.o. – 100% of shares
- Budimex I Sp. z o.o. – 100% of shares
- Budimex J Sp. z o.o. – 100% of shares
- Budimex K Sp. z o.o. – 100% of shares
- ConVentures Sp. z o.o. – 100% of shares
- ASI 1 ConVentures Sp. z o.o. S.K.A. (alternative investment company managed internally)
- Budimex Construction Prague s.r.o. – 100% of shares
- Budimex Slovakia s.r.o. – 100% of shares
- Budimex Autostrada A1 SA (in liquidation) – 100% of shares
- Przedsiębiorstwo Napraw Infrastruktury Sp. z o.o. in bankruptcy and liquidation -100% of shares
- Circular Construction SA – 100% shares

Significant changes in the structure of the Capital Group in 2021:

- On 24 May 2021, a dispositive agreement concerning the disposal by Budimex SA of all shares in Budimex Nieruchomości Sp. z o.o. was signed.

Shareholding Structure

- Ferrovial Construction International SE – 50.14%
- Nationale Nederlanden OFE – 9.22%
- Aviva OFE Aviva Santander – 8.50%
- Other shareholders – 32,14%

Budimex SA is a company in which the majority of shares belongs to Ferrovial Contruccion International SE with its registered office in the Netherlands, being a part of the Ferrovial Capital Group, a Spanish international company operating in the sector of construction, financing, operation and maintenance of transport infrastructure and urban services.

1.7. Management of the Capital Group

[GRI 2-10]

The process of appointing the Management Board of the Budimex SA parent company is regulated by the Regulations of the Supervisory Board of Budimex SA. The process of appointing the Supervisory Board is regulated by the Regulations of the Supervisory Board of Budimex SA and the Regulations of the Ordinary General Meeting of Budimex SA.

Composition of the Management Board

[GRI 2-9] [GRI 2-11]

As of 31 December 2021, the Management Board of Budimex SA included:

- Artur Popko – President of the Management Board, Chief Executive Officer,
- Jacek Daniewski – Member of the Management Board, Chief Legal and Organisational Officer,
- Cezary Mączka – Member of the Management Board, Chief HR Officer,
- Artur Pielech – Member of the Management Board, Chief Executive Officer of FBSerwis SA,

- Marcin Węglowski – Member of the Management Board, Chief Financial Officer.

In 2021, the following changes occurred in the composition of the Management Board:

- a) On 19 May 2021, Mr Dariusz Blocher, President, resigned from his function in the Management Board of Budimex SA,
- b) On 22 April 2021, the Supervisory Board of Budimex SA appointed Mr Artur Popko, who up to this date held the position of the Vice-President of the Management Board of Budimex SA, as the President of the Management Board, Chief Executive Officer, with effect from 20 May 2021,
- c) On 23 September 2021, at the request of the President of the Management Board, the Supervisory Board of Budimex SA appointed Mr Artur Pielech as the Member of the Management Board of Budimex SA,
- d) On 9 December 2021, at the request of Cezary Mączka, the Supervisory Board of Budimex SA dismissed him from the position of the Member of the Management Board. Pursuant to the resolution of the Supervisory Board, 31 December 2021 was the last day when Cezary Mączka performed the function in the Company's Management Board.

Composition of the Supervisory Board

[GRI 2-9]

Composition of the Supervisory Board as of 31 December 2021:

- Marek Michałowski – Chairman of the Supervisory Board
- Juan Ignacio Gaston Najarro – Vice-Chairman of the Supervisory Board
- Igor Adam Chalupec – Secretary of the Supervisory Board
- Dariusz Jacek Blocher – Member of the Supervisory Board
- Danuta Dąbrowska – Member of the Supervisory Board
- Janusz Dedo – Member of the Supervisory Board
- Jose Carlos Garrido-Lestache Rodríguez – Member of the Supervisory Board
- Ignacio Aitor Garcia Bilbao – Member of the Supervisory Board
- Artur Kucharski – Member of the Supervisory Board
- Mario Mostoles Nieto – Member of the Supervisory Board

In 2021, the following changes occurred in the composition of the Supervisory Board:

- a) As of 17 May 2021 Mr Fernando Luis Pascual Larragoiti resigned from his position in the Supervisory Board,
- b) As of 20 May 2021 Ms Agnieszka Słomka-Golebiowska resigned from her position in the Supervisory Board,
- c) On 20 May 2021, the Ordinary General Meeting appointed two new members of the Supervisory Board, i.e. Mr Dariusz Jacek Blocher and Mr Ignacio Aitor Garcia Bilbao,
- d) As of 22 September 2021 Mr Javier Galindo Hernandez resigned from his position in the Supervisory Board,
- e) On 23 September 2021, the Supervisory Board of Budimex SA pursuant to Article 16(3) of the Articles of Association adopted a resolution on supplementing the composition of the Supervisory Board by co-opting Mr Mario Mostoles Nieto to the Supervisory Board.

Committees of the Supervisory Board

The composition of **the Audit Committee** as at 31 December 2021 was as follows:

- Danuta Dąbrowska – Chairwoman,
- Janusz Dedo – member,
- Ignacio Aitor Garcia Bilbao – member.

In 2021, the following changes occurred in the composition of the Audit Committee:

- a) As of 20 May 2021, in connection with the resignation from the position held in the Supervisory Board, Ms Agnieszka Słomka-Golebiowska ceased to be the member of the Audit Committee,
- b) As of 20 May 2021, Mr Javier Galindo Hernandez submitted the resignation from his membership in the Audit Committee,
- c) On 20 May 2021, the Supervisory Board appointed Mr Janusz Dedo and Mr Ignacio Aitor Garcia Bilbao to perform functions in the Audit Committee.

The provisions of Article 129(3) of the Polish Act of 11 May 2017 on statutory auditors, audit firms and public supervision, as well as the criteria of independence of the members of the Board within the meaning of 'Best Practice for GPW Listed Companies 2016' (rule II.Z.4 of Section II the Management Board and the Supervisory Board of Best Practice for GPW Listed Companies 2016) apply accordingly to the fulfilment of the conditions of independence of the Audit Committee members.

The status of the Supervisory Board member's independence is determined by the company in accordance with the criteria set out in Operational Instruction

no. IO-01-07-02 on obtaining information from Supervisory Board members and publishing it, on the basis of declarations submitted by the Supervisory Board members and on the basis of Article 129(3) of the Polish Act of 11 May 2017 on statutory auditors, audit firms and public supervision.

The composition of **the Investment Committee** as at 31 December 2021 was as follows:

- Janusz Dedo – chairman,
- Dariusz Blocher – member,
- Ignacio Aitor Garcia Bilbao – member.

In 2021, the following changes occurred in the composition of the Investment Committee:

- a) As of 12 May 2021, in connection with the resignation from the position held in the Supervisory Board, Mr Fernando Luis Pascual Larragoiti ceased to be the member of the Investment Committee,
- b) On 20 May 2021, the Supervisory Board appointed Mr Dariusz Blocher to perform a function in the Investment Committee,
- c) As of 22 September 2021, in connection with the resignation from the position held in the Supervisory Board, Mr Javier Galindo Hernandez ceased to be the member of the Investment Committee,
- d) On 23 September, the Supervisory Board appointed Mr Ignacio Aitor Garcia Bilbao to perform a function in the Investment Committee.

The composition of **the Remuneration Committee** as at 31 December 2021 was as follows:

- Marek Michałowski – chairman,
- Dariusz Blocher – member,
- Igor Chalupiec – member,
- Mario Mostoles Nieto – member.

In 2021, the following changes occurred in the composition of the Remuneration Committee:

- a) On 20 May 2021, the Supervisory Board appointed Mr Dariusz Blocher to perform a function in the Remuneration Committee,
- b) On 23 September 2021, Mr Juan Ignacio Gaston Najarro submitted the resignation from his membership in the Remuneration Committee,
- c) On 23 September 2021, the Supervisory Board appointed Mr Mario Mostoles Nieto to perform a function in the Remuneration Committee.

Management of sustainable development in the Budimex Group

[GRI 2-12] [GRI 2-13] [GRI 2-16] [GRI 2-17] [GRI 2-18]

The Management Board of the Budimex Group takes key decisions affecting strategic directions of the Capital Group's development in line with the sustainable development principles. The Management Board is also responsible for final approval of strategic plans in the area of sustainable development.

In 2021, Cezary Mączka – Member of the Management Board and the Chief HR Officer supervised and actively participated in works on modifying and updating the Strategy in ESG areas. Works in this respect have been carried out since mid-2021 and as of 31/12/2021 they have not been completed yet. Their continuation has been planned for 2022.

Depending on the thematic scope of individual ESG areas, conducting operational activities in Budimex SA falls within the competences of individual organisational units responsible for supervising environmental issues, risk management, human resources management, OHS area, Compliance and communication.

received at one of the meetings in July 2021 an expert study on key ESG events from an external advisor.

At the current stage of the ESG management condition, the assessment of the effectiveness of the Management Board's and the Supervisory Board's activities in the scope of the sustainable development management has not been implemented.

Diversity at the top management levels

The General Diversity Policy has been functioning in the Budimex Group since September 2016. It was updated in June 2021. The Policy defines the direction for the effective management of diversity in the Group. As one of the largest employers in Poland, Budimex is guided by the principles of respect for all people, their equal treatment, use of the employees' potential and counteracting all forms of discrimination, believing that it brings measurable benefits and affects the development and innovation of the organisation as well as the creation of a friendly social environment.

The objectives of the Diversity Policy are:

- Active management of diversity within the existing HR management policy and creation of an open and diverse working environment.
- Counteracting all forms of discrimination.
- Ensuring equal opportunities in access to education and promotion.
- Ensuring a fair and objective employee assessment.
- Ensuring equal opportunities in access to information about ethical standards applicable in the Group
- Achieving the level of equal remuneration measured by the Gender Pay Gap indicator.
- Maintaining the level of representation of women in the total number of the Budimex Group's employees above the average level for the construction sector.
- Maintaining the level of representation of women in senior management positions and among managers at the level at least equal to the level of representation of women in the total number of the Budimex Group's employees.
- Promoting diversity and education in cooperation with our stakeholders.

The Policy applies to all levels of employment in the Group. Due to the significance of the influence on the remaining staff resulting from observing the principles of diversity at the top levels of the organisation, on 21 September 2021 the Management Board Diversity Policy was adopted in the Budimex Group. The objective of the Policy is to ensure the principles of equal treatment and diversity at the top management level of the Group. This Policy sets out a trajectory of activities aimed at meeting best practices, including Best Practice for Listed Companies 2021 in the scope of diversity. The adoption of the Supervisory Board Diversity Policy was planned for 2022.

Due diligence in management

[GRI 2-15]

Certified quality, occupational health and safety and environmental management systems ensure efficient management at the operational level.

In the case of Budimex, the head of the capital group, the Integrated Management System consists of:

- quality management system according to ISO 9001,
- environmental management system according to ISO 14001,
- occupational health and safety management system – compliant with ISO 45001,
- information security management system according to ISO/IEC 27001,
- quality management system according to AQAP 2110,
- energy management system according to ISO 50001,
- IT service quality management system according to ISO/IEC20000-1,
- quality system according to PN-EN ISO 3834-2 for welding.

Budimex SA has NATO Commercial and Government Entity Code no. 1836H (NCAGE) granted to entities whose activities are related to the range of defence products or the provision of defence services. In addition, the Integrated Management System takes into account the guidelines for social liability management specified in standard PN-ISO 26000

In other companies of the Budimex Group, the certified management systems are owned by Mostostal Kraków SA. The process of production, assembly and renovation is covered by the Quality Management System according to the Integrated Quality Management System (ISO 9001 – quality management system, ISO 14001 – environmental management system, ISO 45001 – occupational health and safety management system). This company also holds a number of other certificates confirming e.g. bridge and welding licences or authorisations of the Office of Technical Inspection.

1.8. Quality management

Ensuring the highest quality of services constitutes part of the Budimex Group's core values. Quality management procedures cover both care for the use of top-class construction materials and accuracy and safety of the construction at each stage. The Integrated Management System applicable in the Budimex Group ensures the fulfilment of the principle of due diligence with regard to the quality management.

The Integrated Management System covers e.g. the quality management system according to PN-EN ISO 9001, environmental management system according to PN-EN ISO 14001, occupational health and safety management system according to ISO 45001 and quality assurance system based on requirements of the AQAP 2110 NATO standard.

Uniform quality procedures apply to all contracts carried out by the Budimex Group. Certificates and subsequent accreditations obtained by the Group are the result of the work of many people involved in ensuring the highest quality of implemented constructions.

The Group has procedures that regulate the performance of quality controls on construction sites and the quality management for mineral and asphalt mixes, concrete mixes and aggregates. They also concern the acquirement and use of a given raw material at different stages of the construction process and indicate actions to be taken in the case of detecting deviations from the standard.

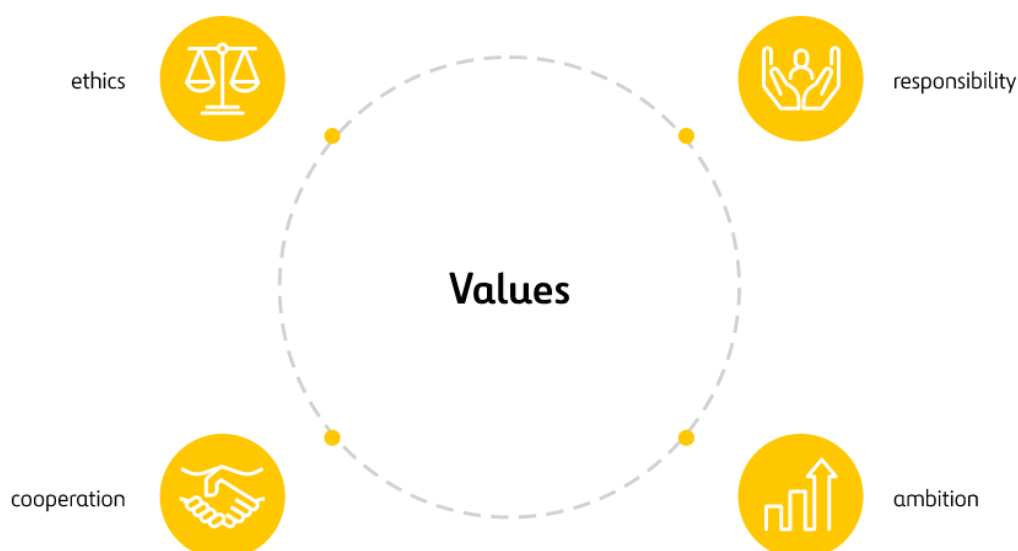
In 2020, a total of 27 laboratory units conducted ongoing quality inspections of works and construction products at all stages, also in the context of the safety of building structures.

2. Strategy of the Budimex Group

2.1. Values of the Budimex Group

The mission of Budimex is to implement construction investments – including development projects – in a manner compatible with the market leader status, with respect for the natural environment and the principles of ethics, as well as care for customer satisfaction and user comfort. Budimex achieves this through professionalism, passion for construction, high operating efficiency and partner relationships with suppliers and subcontractors.

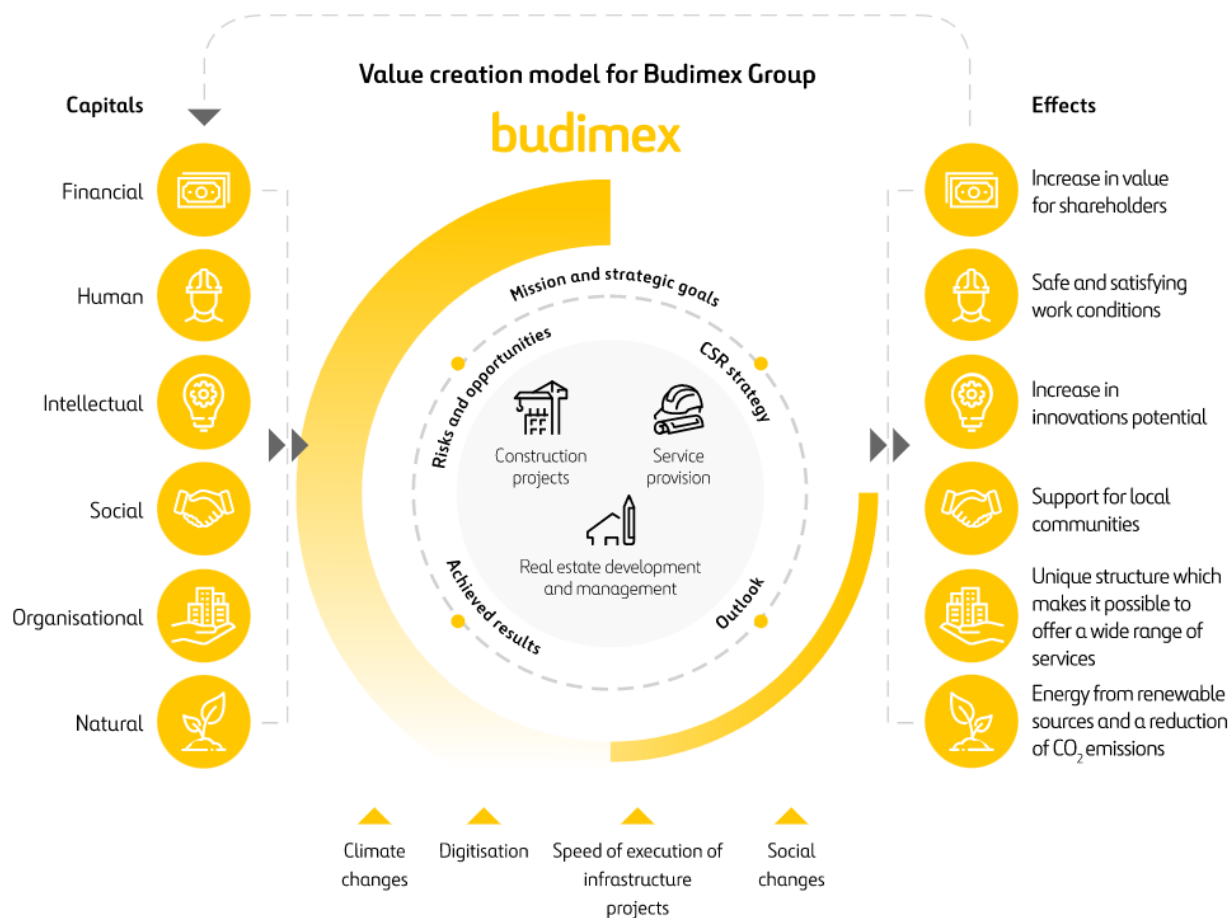
The main mission of the Budimex Group is to implement construction investments in line with the sustainable development principles. The values adopted as foundations of operations in the Budimex Group result from the assumptions of the CSR Strategy for 2021-2023 of the Budimex Group and are consistent with the key ESG areas. Particular due diligence in ethical conduct, care for the OHS issues, optimisation of the impact on environment and ensuring customer satisfaction and service quality are achieved through professionalism resulting from experience and passion for construction. Relationships with business partners, subcontractors and suppliers constitute an undoubtedly important value for the Budimex Group. Experience and diversity resulting from these relationships constantly enrich the organisational culture of the Budimex Group.



The Management Board of Budimex SA undertakes actions aimed at the continuous growth of the company's value for all shareholders and defines directions of development, although it has not formalised it in the form of a strategy document. In the period covered by the report as well as in the perspective of the next financial year, it intends to focus on the increase in margins of the order portfolio and the acquirement of new profitable construction contracts. The Management Board of Budimex SA in the long-term perspective will strive to diversify construction activities (e.g. by increasing its presence in segments of the railway or hydrotechnical market), as well as to develop investment and service activities related to the road, railway and general construction infrastructure (e.g. projects in the public-private partnership formula, infrastructure maintenance or municipal waste management).

2.2. Value chain of the Budimex Group

[GRI 2-6]



2.3. CSR strategy for 2021-2023

In its activities, Budimex is guided by the principles of sustainable development, taking into account the needs of local communities and the environment. The objective of the 'Budimex CSR Strategy for 2021-2023' is to increase the positive impact of the company on society and the environment and to limit the negative impact, in accordance with the adopted definitions of corporate social responsibility and sustainable development. The 'Budimex CSR Strategy for 2021-2023' was divided into 6 key areas of responsibility:

1. We ensure the highest occupational health and safety standards.
2. We reduce the negative impact on the environment and climate.
3. We care for employee development and work satisfaction.
4. We focus on the highest quality and innovations.
5. We prevent abuse.
6. We engage in dialogue and support local communities.

Accomplishment of the CSR Strategy objectives for 2021

Area	Objective	Measure	Result in 2021 (Budimex Group)
Occupational health and safety	Eliminating fatalities and reducing accident severity rates and their frequency among the company's employees and subcontractors	Accident frequency rate	16.2 (a decrease of 11.9% from 18.4 relative to 2020)
		Number of fatal accidents	0
Environmental protection	Reduction of greenhouse gas emissions	Percentage of electricity from renewable sources	29.69%
	Minimisation of water consumption	m ³ of water/million of revenue	18.4
Development of employees	Counteracting all forms of discrimination based on sex	Percentage of women in managerial positions	29.83%
	Providing students with access to practical knowledge	The measure of the implementation is constantly enriched training offer of the Budimex Group.	
Quality and innovations	Increase in the company's innovative potential due to cooperation with start-ups	The measure of the implementation is constant involvement in innovative projects.	
	Maintenance of the construction high quality	Quality Conformance Indicators	94.9% (correct result above 94%)

3. Importance of information in the report and risk management

3.1. Methods of determining the importance

[GRI 3-1]

Non-financial issues important for the Budimex SA Group's activities were defined in the process of formulating the CSR Strategy for 2021-2023 and other strategic plans in the ESG area. Areas of activities in which the Budimex Group sets strategic objectives constitute the basis for determining the importance also in other processes concerning sustainable development in the Budimex Group.

Works on the Strategy were preceded by a phase of preliminary identification of potentially important issues, which included the consideration of the range of the Budimex Group's impact on the environment and the scope of potentially important issues resulting from good practices and regulations, including the OECD Guidelines for Multinational Enterprises and initial information about the EU Corporate Sustainability Reporting Directive (CSRD). The identification process took into account the scope of human rights issues.

3.2. Important stakeholders

[GRI 2-29] [GRI 3-2] [GRI 3-3]

The Budimex Group cares about building long-term relationships with important stakeholders, based on values followed by the Group in every activity. The CSR Committee appointed by the Group watches over the assurance that communication with key stakeholders is kept in a transparent form, in accordance with the open dialogue principles. Budimex encourages stakeholders to share their insights as due to this it becomes an increasingly dynamic and sustainable company. The form of communication is selected appropriately for the specific nature and needs of the stakeholder group and communication possibilities which can be limited due to e.g. restrictions related to the COVID-19 pandemic. Within the communication, Budimex attaches special importance to submitting to stakeholders information about the company's sustainable development in a transparent manner.

Identified important stakeholders are:

Stakeholder group
Employees and social partners (full-time employees, students and potential employees, former employees, trade unions, employees of subcontractors and suppliers, labour inspection and other similar supervision authorities).
Investors (the strategic investor, institutional investors, individual investors, Warsaw Stock Exchange, brokerage houses, banks).
Customers (GDDKiA, institutional customers, individual customers, business partners, key suppliers, subcontractors, local government and government administration).
Society (local communities within the investment area, residents and community leaders, universities and academics/students, technical and professional organisations).
Natural environment (environmental organisations, environmental supervision inspectors, State Forests).
Media, public opinion.

The Press and External Relations Office, the Communications Department and the CSR Committee are responsible for stakeholder dialogue. The frequency and form of contact are adapted to the needs and external conditions with a given group. Dialogue with the external environment is the responsibility of the Press and External Relations Office, the Communications Department and the Strategic Analysis Office.

[GRI 2-28]

In 2021, the Budimex Group was a member of these organisations:

- Business Centre Club (BCC)
- Centrum Rozwoju Transportu – Klaster Luxtorpeda (Transport Development Centre – Luxtorpeda Cluster)
- Federacja Przedsiębiorców Polskich (Federation of Polish Entrepreneurs)
- Izba Gospodarcza Energetyki i Budownictwa (Polish Chamber of Power Industry and Civil Engineering)
- Izba Gospodarcza Energetyki i Ochrony Środowiska (Polish Chamber of Power Industry and Environment Protection; IGEiOŚ)
- Izba Gospodarcza Transportu Lądowego (Polish Land Transport Chamber of Commerce; IGTL)
- Ogólnopolska Izba Gospodarcza Drogownictwa (Polish Chamber of Road Building; OIGD)
- Polish Cluster of Construction Exporters
- Polski Związek Pracodawców Budownictwa (Polish Association of Construction Employers; PZPB), in which the Budimex SA representative acts as a Member of the Management Board
- Polskie Stowarzyszenie Wykonawców Nawierzchni Asfaltowych (Polish Asphalt Pavement Association; PSWNA), in which the President of the Management Board of Budimex SA acts as the Vice-President,
- Polsko-Litewska Izba Handlowa (Polish and Lithuanian Chamber of Commerce)
- Polsko-Hiszpańska Izba Gospodarcza (Polish-Spanish Chamber of Commerce; PHIG)
- Railway Business Forum (RBF),
- Stowarzyszenie Emitentów Giełdowych (Polish Association of Issuers; SEG)
- Wschodni Klaster Budowlany (Eastern Construction Cluster)
- Polskie Niemiecka Izba Przemysłowo-Handlowa (Polish-German Chamber of Industry and Commerce)
- ITS Polska

3.3. Relevant issues

[GRI 3-2] [GRI 3-3]

Environmental issues	Essence of the impact	Ways of managing the issue
Level of greenhouse gas emissions	<p>The Budimex Group's impact in this area consists in burning fuels and purchasing electrical and thermal energy as well as activities influencing the level of emissions at other organisations operating within the Group's value chain, e.g. subcontractors.</p> <p>Greenhouse gas emissions are directly related to the issue of climate changes. More information about risks resulting from climate changes is presented in the Climate Risk Analysis section.</p>	<p>The issue is managed through the implementation of the objective within the CSR Strategy for 2021-2023. The reduction in the level of emissions is influenced e.g. by the purchase of energy from renewable sources and the introduction of solutions from the scope of emission-free mobility.</p>
Level of water consumption	<p>Water in the Budimex Group is used as a raw material in production processes and within the provision of construction services.</p>	<p>The issue is managed through the implementation of the objective within the CSR Strategy for 2021-2023. The reduction is achieved through such activities as the recovery of rainwater within contracts.</p>

Social issues	Essence of the impact	Ways of managing the issue
Counteracting discrimination	<p>The Budimex Group applies the policy of zero tolerance for all forms of discrimination. The impact is generated mainly by the prevention of adverse events.</p>	<p>The issue is managed through the implementation of the objective within the CSR Strategy for 2021-2023. The Budimex Group has policies regulating the framework of conduct in the area of ethics and human rights. Employees are informed about the Group's ethics management system and ways of reporting concerns and violations.</p>
Development and education	<p>The impact in this area includes mainly unique development programmes offered by the Budimex Group addressed to current employees, to people considering work in the Budimex Group and students of construction faculties.</p>	<p>The issue is managed by offering a wide range of educational programmes. Within the implementation of the objective of the CSR Strategy for 2021-2023.</p>
Equality and diversity of employees	<p>The impact in this area consists in the creation of working environment building culture of diversity and equality.</p>	<p>This area is managed through the implementation of Diversity Policies and activities aimed e.g. at correcting wage inequalities.</p>

Social issues	Essence of the impact	Ways of managing the issue
OHS	The OHS area is particularly important for the Budimex Group. The impact in this area is directly related to the management of security within contracts.	The issue is managed through the implementation of the objective within the CSR Strategy for 2021-2023. The Budimex Group has detailed policies defining the framework of conduct in the area of occupational health and safety. OHS indicators are monitored and analysed. Based on the conclusions from analyses of statistics and accidents, preventive and corrective actions are implemented.

Issues from the management area	Essence of the impact	Ways of managing the issue
Quality of the construction services provided	The impact is generated by the control of quality of the services provided.	The issue is monitored with the use of a dedicated quality indicator within the CSR Strategy for 2021-2023. The issue management includes quality control processes.
Innovations	The potential impact within this issue includes a wide range of ESG aspects that could be covered by activities within innovation projects.	This issue has been included in the CSR Strategy for 2021-2023. Activities in the area covered by the issue focus on innovative pilot projects conducted with the use of the Budimex Group's own resources and with the participation of partners and start-ups.

3.4. Significant risks

[GRI 2-25] [GRI 3-2] [GRI 3-3]

The main document regulating the area of risk identification in the Budimex Group is the Risk Control and Management Policy in the Budimex Group. It is supported by a number of instructions and procedures governing specific aspects related to the risk identification process. The risk identification system in the Budimex Group consists of the annual, semi-annual, quarterly and monthly reviews.

The following significant risks were identified in the review of risks for 2021:

Risk	Risk description	Risk management
Reduction of investments on the Polish market	The risk results from a possible postponement or reduction of financial resources for the implementation of infrastructural and railway investments.	Expansion into new foreign markets. Diversification of activities, entry into new areas of activities, including the renewable energy market.

Risk	Risk description	Risk management
Occurrence of a fatal and serious accident	The risk results from lack of sufficient awareness of the threats.	The Budimex Group has implemented the Action Plan concerning the prevention of accident occurrence. It determines the framework for actions aimed at appropriate dissemination of knowledge of OHS issues and implementation of best practices in this area.
Expansion into new foreign markets.	Difficulties in obtaining contracts on foreign markets. Difficulties in acquiring employees and local subcontractors.	Searching for partners on foreign markets. Cooperation with local recruitment agencies.
Climate changes and environmental damage	The risk is related to the global phenomenon of climate changes and the impact of the Budimex Group's activities on the environment.	In 2021, the analysis of climate risks was prepared. It included in detail the context of risks related to climate changes and their impact on the Budimex Group as well as the impact of the Budimex Group on climate changes.
Cyber threats	The risk results from a number of factors covering the aspect of employees' education, security of the IT infrastructure and global increase in hackers' attacks.	The Cybersecurity Strategy is being implemented.
Loss of business continuity	Risk of unavailability of key personnel and infrastructure.	Reviews and updates of plans and instructions ensuring business continuity.

4. Ethics and human rights in the Budimex Group

[GRI 205] [GRI 206] [GRI 406] [GRI 4011] [GRI 417] [GRI 418]

4.1. Ethics management

The Budimex Group creates working environment in which acting according to the principles of ethics is respected and promoted. The diversity of employees is an advantage of the Budimex Group, no discriminatory behaviours or behaviours violating in any other way the established principles of ethical conduct are accepted. The Budimex Group responds adequately to changes on the labour market, taking them into account as factors in the risk research and adjusting its system regulating the framework of ethical conduct. For example, the increase in the percentage of foreign employees in the Polish labour market may result in an increased risk of xenophobic behaviours. The Budimex Group is prepared for a demand for the possibility of submitting a request in another language. The Budimex Code of Ethics is available in the Polish version, while the Ferrovia Group Code of Ethics is available in the English version; whenever necessary, the Code of Ethics is also available in the English version. Messages can be sent in the Polish and foreign languages to the e-mail address intended for communication of violations and to the e-nform Platform (dedicated to anonymous reports). During 4 years of the functioning of Compliance channels, no information and reports were submitted in foreign languages.

The Budimex Group applies due diligence to ensure respect for human rights in the organisation and at the entities with which it remains in relationships. The Group ensures full, undisturbed freedom of the operation of trade unions: Multi-Employer Trade Union Organisation of NSZZ 'Solidarność' and 'Budowlani' Trade Union. The Group has **the Company Collective Bargaining Agreement**.

The 'Principles of the Company's Responsibility Policy' document obliges all employees of the Budimex Group e.g. to respect basic human rights. In turn, the 'Principles of the Protection of Human Rights', whose addressees are the employees of the Group, its customers, suppliers and contractors, raise the subject of respect for the provisions of the 'Declaration on Fundamental Principles and Rights at Work' of the International Labour Organisation. They bind the addressees to act in a non-discriminatory manner, to promote equal opportunities, to notice the values of diversity, as well as to comply with the prohibition of child labour and forced labour and to respect the freedom of association and the right to collective bargaining. With regard to customers and local communities, the Budimex Group does not allow any form of discrimination and undertakes to provide information about its activities in a fast and transparent manner.

The 'Code of Ethics' and the 'Compliance Policy' constitute documents that ensure the protection of human rights at operational level in everyday work. Violations of human rights are governed by the same procedures that define the manner of conduct in the case of corruption prevention (see 'Ethical standards').

Code of Ethics

The Code of Ethics is an internal document to which employees of the Budimex Group have access. The objective of the implementation of the Code of Ethics was to create a stable point of reference for the ethical conduct of the Budimex Group's employees. The Code describes **the Group's Values** and defines the conditions of conduct in accordance with them. The values specified in the Code are:

- Ethics
- Partnership
- Liability
- Ambition

The Code also define **Areas of particular adherence to ethical values**. This section describes the rules and guidelines of conduct in the specified types of relationships and in the areas of the Budimex Group's impact. Topics regulated in this part are:

- Management and relationships with employees
- Contact with investors, customers and suppliers
- Natural environment
- Taking care of the company's assets
- Stock Exchange

The compliance with and enforcement of the Code of Ethics is guaranteed by the Ethics Committee, appointed by the President of the Management Board of Budimex SA. The Ethics Committee is composed of the Chief HR Officer, the Chief Legal and Organisational Officer and the Head of the Office of Internal Control. The Committee's role is to monitor the compliance of applicable standards of professional ethics with the provisions of the Code of Ethics. The Committee investigates violations of the Code of Ethics and provides guidelines in the scope of compliance with the rules contained therein, while respecting confidentiality standards. Violations of the Code can be reported via the reporting mechanism described further in this section.

Principles of the Human Right protection

The principles of the Human Right protection constitute a document of the Ferrovial Group, a strategic investor of the Budimex Group. The objective of the document applicable to the entire Ferrovial Group is to raise the awareness of human rights in the company and to increase the company's possibilities in the scope of resolving problems related to this issue. The obligations specified in this document apply to all employees, customers, suppliers and contractors who are in relationships with the Group. The principles described in the document stem from the provisions of the Universal Declaration of Human Rights and the ILO (International Labour Organisation) conventions.

Ethics in the supply chain

The Budimex Group takes care of due diligence in its supply chain, establishing cooperation only with entities that act ethically. In the process of selecting suppliers of materials and services, one of the qualification criteria is the observance of human rights by the company with which Budimex intends to sign an agreement. The qualification process consists of the preliminary assessment and the post-delivery/service assessment. In both cases, the issue of respect for human rights is examined. These issues are regulated by **the Instruction for the purchasing procedure**.

In the case of **99%** of agreements, Subcontractors sign the Set of Principles, which includes the obligation to observe human rights.

In the period covered by the report, the Budimex Group was not informed about subcontractors' actions resembling violations of human rights.

These aspects were also taken into account in the 'CSR Strategy for 2016-2020', whose important objective was the 'Elimination of the risk of unethical behaviours' (individual business areas and objectives were assigned indicators and measurable target values). These aspects were also included in the 'CSR Strategy for 2021-2023'.

4.2. Whistleblowing system

[GRI 2-26] [GRI 2-27] [GRI 206-1][GRI 406-1]

All employees of the Budimex Group have access to the information and tools enabling them to report the observed violations and irregularities. They are:

- compliance emergency telephone (+48 789 404 104),
- e-mail addresses: compliance@budimex.pl and etyka@budimex.pl,
- electronic platform for anonymous reporting,
- option of reporting in person to the Chief Compliance Officer or its Deputy.

There occur also reports e.g. in the form of letters sent directly to the President of the Management Board or Members of the Management Board of Budimex SA – Parent Company in the Budimex Group. In such a case, they are transferred directly to persons responsible for their consideration.

If the notifier so wishes, they remain anonymous and are assured that there are no business consequences associated with the notification. The Chief Compliance Officer, in cooperation with the Compliance Committee and/or the Office of Internal Control, analyses every report in detail, while respecting confidentiality standards. Every violation is recorded in writing together with recommendations or guidelines for further actions to be taken by the organisational unit relevant to the report. The Chief Compliance Officer is obliged to regularly provide the Management Board and the Supervisory Board with reports containing information on the actions that have been taken in order to explain the given report (at least for a period of three months). Furthermore, the Supervisory Board's Audit Committee may request a report for a given period at any time.

No notifications was recorded through the existing mechanisms in 2021. The list of reports of violations of the 'Code of Ethics'/'Compliance Policy' in 2021:

- Issues related to the conflict of interest
- Inappropriate relationships between the employee and the supervisor
- Issues of interpretation of internal regulations in the Budimex Group

As a result of the issues reported, appropriate actions were taken. In two cases the employment relationship with employees was terminated, in one case the employee was instructed, in other cases information was provided. Moreover, in December 2021 the company carried out Compliance training courses, which will be continued in January 2022.

In 2021, there were no cases of non-compliance with law, as a result of which financial penalties would be imposed on the Budimex Group.

There were no violations of the principles of fair competition in 2021.

4.3. Forced labour prevention

[GRI 409-1]

The document regulating the scope of due diligence in the scope of forced labour prevention is the Principles of the Human Right Protection addressed to employees, customers, suppliers and contractors with whom the Budimex Group works. The policy including the prohibition of forced labour and child labour is implemented through the following actions:

- Respecting, supporting and promoting human rights.
- Guarantee of security and respect for human rights
- Rejection of all types of discrimination
- Promoting and disseminating human rights.

The Budimex Group plans to extend the procedures of due diligence in the supply chain within the implementation of strategic objectives related to sustainable development.

4.4. Management of the conflict of interests

One of the important areas in the Budimex Group is the management of the conflict of interests, which takes place through the application of appropriate policies. The management of the conflict of interests is also an important topic in the S (Social) area of the CSR Strategy for 2021-2023 of the Budimex Group.

Issues related to the management of the conflict of interests are regulated in the Code of Ethics of the Budimex Group. Moreover, there are also Operational Instructions regulating:

- Rules for participation in sponsored events and other activities that may involve a conflict of interest.
- Giving and receiving gifts.
- Rules for informing about the employment of persons remaining in a relationship with the employee.

Issues related to the conflict of interests form a separate module within Compliance training sessions conducted in the Budimex Group. In order to effectively manage the risk related to the conflict of interests, the Group plans further works on policies and guidelines for employees whose objective is to minimise risks of occurrence of negative effects of the conflict of interests.

4.5. Preventing corruption

[GRI 205-1] [GRI 205-2] [GRI 205-3]

The Budimex Group takes decisive actions in the area of prevention of corruption events. Combating corruption is one of the 10 Global Compact Principles, which form the foundations for building a responsible organisation. Budimex recognises huge negative effects of the materialisation of the risk in this area. That is why the Group has a comprehensive Anti-Corruption System meeting all regulatory requirements and good market practices.

In the Anti-Corruption area, there are internal training courses as well as training conducted with the participation of external organisations. In 2021, there were approximately 20 internal training panels, including training courses within the programmes of the Contract Manager Academy, Compliance Training and Welcome to the Group. In the period covered by the report, all members of the Management Board of Budimex SA underwent training courses on Anti-Corruption. All employees in middle and senior management positions receive regular information about the Group's Anti-Corruption Systems.

Agreements signed with business partners contain provisions informing about the Budimex Group's approach to issues related to preventing and eliminating corruption events.

In 2021, there were no cases of corruption.

5. Compliance with the European Union Taxonomy

Budimex Group discloses, for the first time in this report, information on the EU Taxonomy of Environmentally Sustainable Activities. The related obligations were introduced by Regulation (EU) 2020/852 of the Parliament and of the Council of 18 June 2020. In the first year of its application, in accordance with the content of Commission Delegated Regulation (EU) 2021/2178, Budimex Group discloses the percentage of turnover, capital expenditures and operating expenditures qualifying for the Taxonomy, without the need to verify the Technical Eligibility Criteria, i.e. to determine what percentage of these three values is related to environmentally sustainable activities.

6. Accounting policies

The following rules have been applied to calculate the percentage of turnover, capital expenditure (CapEx) and operating expenditure (OpEx) eligible for systematics.

Turnover

With regard to turnover, the basis was the total consolidated revenue of Budimex SA in 2021, as disclosed in the financial statements in the income statement under "Net revenue from sales of products and services and goods and materials". Revenues from activities eligible for systematisation were assigned to the numerator.

Capital expenditures (CapEx)

With regard to capital expenditure (CapEx), the basis was capital expenditure incurred in the company, which was reported in the statement of cash flows under investing activities under the heading "Acquisition of intangible assets and property, plant and equipment". The numerator was assigned the portion of CapEx that relates to activities that qualify for systematisation. For capital expenditure on construction vehicles, equipment and machinery, the proportional allocation method was applied. Budimex SA. uses vehicles, equipment and construction machines that are used in the performance of various contracts, both related to activities eligible for systematics and non-eligible ones; moreover, the same machine may be used in different periods of the year on different contracts. The total capital expenditure on construction vehicles, equipment and machinery has therefore been allocated to the various activities in the proportion corresponding to the proportion of revenue from the contracts concerned.

Operating expenditures (OpEx)

As regards Operating Expenses (OpEx), the basis was all costs used for current maintenance of Budimex SA's assets and keeping them in proper condition. The numerator was assigned the part of OpEx that relates to activities eligible for systemisation. For operating expenses for construction equipment and machinery, the proportional allocation method was applied in the same way as in the case of CapEx described above.

In the case of operating expenses, which are defined in the Commission Delegated Regulation (EU) 2021/2178 in a way that does not refer to international financial reporting standards, all accounts in the company's accounting system were reviewed and then the identified items meeting the definition of OpEx related to the maintenance of vehicles, equipment and construction machinery in good condition were allocated proportionally to the relevant activity. Operating expenses are cost items in the income statement, as opposed to capital expenditures, which are increases in the balance of tangible and intangible assets, and therefore the values included in the CapEx and OpEx calculations are separate.

Budimex SA discloses in this report for the first time the share of activities qualifying for systematics as regards the reported period, i.e. 01.01.2021-31.12.2021, so the disclosure does not include information on changes in data for previous periods.

As only the percentage of turnover, capital expenditures and operating expenditures qualifying for systematics (rather than complying or not complying with systematics) are disclosed in the first reporting year, activities contributing to more than one environmental objective were not identified. Consequently, there was no need for special procedures to avoid double counting.

Turnover

Table 1: Percentage of turnover eligible for the Taxonomy

Business activity	Code or codes	Turnover (absolute value)	Share of turnover
		million PLN	%
A. ACTIVITIES ELIGIBLE FOR THE TAXONOMY			
Electricity production from wind energy	4.3.	4	0.1%
Construction, expansion and operation of water intake, treatment and supply systems	5.1.	190	2.4%
Construction, expansion and operation of sewage disposal and treatment systems	5.3.	18	0.2%
Collection and transport of non-hazardous waste in source-separated fractions	5.5.	663	8.4%
Infrastructure for rail transport	6.14.	1 973	24.9%
Infrastructure supporting low-emission road transport and public transport	6.15.	2 316	29.3%
Infrastructure supporting low-emission water transport	6.16.	144	1.8%
Construction of new buildings	7.1.	1 364	17.2%
Installation, maintenance and repair of energy efficiency equipment	7.3.	1	0.0%
Total (A)		6 674	84.4%
B. ACTIVITIES NOT ELIGIBLE FOR THE TAXONOMY			
Turnover from activities that are not eligible for the Taxonomy (B)		1 237	15.6%
Total (A + B)		7 911	100.0%

The Group derives revenue from several business segments, most of which are included in the systematics in terms of Annexes I and II of the Delegated Climate Act (Commission Delegated Regulation (EU) 2021/2139). The main revenue items of the activities included in the systematics in 2021 were:

- Revenues from the execution of contracts in the field of transport infrastructure construction in the amount of PLN 4,434 million, relating to the construction of infrastructure supporting low-carbon road transport and public transport (PLN 2,316 million), infrastructure for rail transport (PLN 1,973 million) and infrastructure supporting low-carbon water transport (PLN 144 million).
- Revenues from the execution of contracts for the construction of new buildings in the amount of PLN 1,364 million.
- Revenues related to the construction of water collection, treatment and purification facilities of PLN 190 million and sewage collection and treatment facilities of PLN 18 million.
- Revenues of the Group's segment responsible for waste management of PLN 663 million.

In addition, the Group generated revenues in 2021 from the generation of electricity from wind energy (PLN 4 million) and from the installation of equipment to increase the energy efficiency of buildings (PLN 1 million)

The share of turnover eligible for systematics in total turnover was in 2021 84.4%.

Capital expenditures (CapEx)

Table 2: Percentage of capital expenditures (CapEx) eligible for the Taxonomy

Business activity	Code or codes	Capital expenditures (CapEx) (absolute value)	Share of capital expenditures
		million PLN	%
A. ACTIVITIES ELIGIBLE FOR THE TAXONOMY			
Construction, expansion and operation of water intake, treatment and supply systems	5.1.	1	0.8%
Collection and transport of non-hazardous waste in source-separated fractions	5.5.	31	29.7%
Infrastructure for rail transport	6.14.	41	39.4%
Infrastructure supporting low-emission road transport and public transport	6.15.	18	17.1%
Infrastructure supporting low-emission water transport	6.16.	1	0.6%
Construction of new buildings	7.1.	6	5.7%
Installation, maintenance and repair of energy efficiency equipment	7.3.	0	0.0%
Total (A)		97	93.3%
B. ACTIVITIES NOT ELIGIBLE FOR THE TAXONOMY			
Capital expenditures (CapEx) for activities that are not eligible for the Taxonomy (B)		7	6.7%
Total (A + B)		104	100.0%

Capital expenditures (CapEx) eligible for systematics are related to the implementation of investment plans approved by the Board. Capital expenditure was incurred primarily on:

Capital expenditure was incurred primarily on:

- Expenditure on machinery park including vehicles, equipment and construction machinery in the amount of PLN 64 million.
- Expenditure on vehicles and machinery used in the waste management segment in the amount of PLN 41 million.

The share of capital expenditures eligible for systematics in total capital expenditures was 93.4% in 2021.

Operating expenditures (OpEx)

Table 3: Percentage of operational expenditure (OpEx) eligible for systematics

Business activity	Code or codes	Capital expenditures (OpEx) (absolute value)	Share of capital expenditures
		million PLN	%
A. ACTIVITIES ELIGIBLE FOR THE TAXONOMY			
Construction, expansion and operation of water intake, treatment and supply systems	5.1.	1	1.1%
Collection and transport of non-hazardous waste in source-separated fractions	5.5.	26	35.4%
Infrastructure for rail transport	6.14.	11	14.6%
Infrastructure supporting low-emission road transport and public transport	6.15.	19	26.2%
Infrastructure supporting low-emission water transport	6.16.	1	0.9%
Construction of new buildings	7.1.	6	8.4%
Installation, maintenance and repair of energy efficiency equipment	7.3.	0	0.0%
Total (A)		63	86.6%
B. ACTIVITIES NOT ELIGIBLE FOR THE TAXONOMY			
Capital expenditures (OpEx) for activities that are not eligible for the Taxonomy (B)		10	13.4%
Total (A + B)		73	100.0%

In the case of operating expenses (OpEx), the largest amount (PLN 37m) was related to repairs and maintenance of construction vehicles, equipment and machinery. In turn, PLN 26m was spent on repair and maintenance of waste management vehicles and machinery.

The share of operating expenses eligible for systematics in total operating expenses was 86.6% in 2021.

7. Climate changes and the environment

7.1. Management of the environmental area

The document determining the proper course of changes in the management of the environmental area is the CSR Strategy for 2021-2023. The Management Board of the Budimex Group directly supervises the implementation of the Strategy objectives. Full information about the Strategy assumptions is presented in the Budimex Group's Strategy section.

The Purchasing and Quality Office is responsible for the implementation of operational activities in the environmental area.

The main documents regulating the management of the impact on the climate and the environment in the Budimex Group are the 'Principles of the Company's Responsibility Policy', supported by the 'Principles of the Environmental Protection Policy'. These documents contain commitments and principles supporting the reduction of interference in the natural environment, the efficient management of natural resources and the promotion of environmental responsibility in the supply chain.

The Budimex Group is aware of the potential impact of its activities on the environment and the climate. The environmental impact of the Group may have:

- local dimension – through interference in the functioning of the biosphere as a result of construction works,
- global dimension – through the contribution – positive or negative – to climate changes.

A large part of the environmental impact of construction activities is generated by subcontractors and, therefore, it is of utmost importance for the Budimex Group to maintain correct relationships with subcontractors, suppliers and business partners and to cooperate with them in an effective manner. The joint action translates into measurable effects concerning the environmental impact generated in the entire value chain. All subcontractors working with Budimex are subject to the initial qualification in terms of compliance with environmental protection principles. It is extremely important that they follow the procedures and have relevant experience and fully functional equipment.

Furthermore, all subcontractors entering construction sites receive appropriate training in procedures applicable in the scope of environmental protection, including rules of conduct in the event of failure. Also their equipment is subject to technical efficiency assessment.



comply with national, local and industry environmental standards

and openness in cooperation with administrative bodies in this area



prevent pollutant emissions,

including the reduction of greenhouse gas emissions



cooperate with stakeholders to protect and improve the condition of the environment,

e.g. in the form of exchange of experiences



conduct training and information campaigns concerning environmental protection

among employees and suppliers



use natural resources in more efficient way,

for example through reduced water demand, reduced waste volume and use of recycled materials



take actions to preserve valuable natural areas

and minimise the impact of the activities conducted by the Group on such areas.

The 'Budimex Environmental Protection Standards' govern the rules of proper protection of water, soil, air and biodiversity during the performance of construction works and auxiliary processes. Environmental procedures on construction sites are developed within the framework of uniform internal procedures: 'Environmental management on contracts' and 'OHS and EP organisation and management on the contract'.

The environmental protection standards at the Budimex Group exceed legal obligations and concern:

- designing technological routes in a way ensuring an economical use of land and minimal modification of its surface,
- restoring the site to its condition from before the construction,
- minimisation of tree removal, relocation of plants elsewhere and replanting,
- protection of trees from mechanical damage in the construction site impact zone,
- preparation of construction facilities (depots, warehouses and transportation bases): they are firstly located in already developed and transformed areas, if possible far from residential buildings and valuable natural areas,
- reduction to the necessary minimum of the land occupancy in forests and wetland areas,
- transportation of materials necessary for construction, which takes place primarily within the designated road,
- introduction of solutions protecting from contamination with chemical substances from the construction site on sections where earthworks and construction works are carried out in the vicinity of water reservoirs,
- paying particular attention to the environmental protection from contamination with petroleum derivative products from vehicles and construction machinery,
- relocation of fauna and flora whose habitats collide with the construction to new areas,
- monitoring of the construction by naturalists – e.g. ornithologists, ichthyologists, herpetologists, entomologists, botanists, chiropterologists depending on the construction specificity and local protected species,

- cessation of construction works when animals enter the investment zone,
- implementation of the schedule and work cycle in a way strictly correlated with the natural cycle,
- performance of construction works in the vicinity of noise-protected areas only during the day,
- management of materials and waste according to the 3R principle (reduce, reuse, recycle),
- minimisation of idle operation time with regard to engines of machinery and vehicles of the construction site,
- speed reduction within the construction site and in its vicinity,
- preparation of construction sites for unexpected emergency situations and providing them with equipment necessary in case of incident.

7.2. Climate changes and long-term perspectives for the Group's business

Ongoing climate changes and their prevention constitute one of the most important challenges of the contemporary world. Climate changes are complex processes affecting every area of life. They can also directly affect the functioning of business, including the construction industry.

Future perspectives

In the latest report, the IPCC indicates that every inhabited region around the world is experiencing the effects of climate change, and human influence contributes to many weather changes and extreme climatic conditions observed.¹

In the most optimistic scenario presented in the IPCC report (SSP1-1.9), assuming that CO₂ concentrations peak and decline during the 21st century, the land and ocean begin to take up less carbon dioxide in response to declining atmospheric CO₂ concentrations. This scenario assumes achieving global zero emission by 2050. Its achievement will stop the global temperature level at 1.5°C in relation to pre-industrial times. The realisation of this scenario involves the regulator's pressure to e.g. increase the price of emission allowances and the necessity to implement ambitious solutions reducing the level of greenhouse gas emissions by business.

Scenarios assuming a *business as usual* situation are in opposition to the optimistic scenario. In these scenarios, the global community does not take sufficient steps to reduce the negative impact on the climate. The realisation of the IPCC pessimistic scenarios (SSP3-7.0 and SSP5-8.5), in which the maximum increase in average temperatures ranges from 7 to 8.5°C in the 21st century, may mean the materialisation of many risks related to increasing temperatures. For Central and Eastern Europe it may mean, for example, significant difficulties in access to clean water, loss of biodiversity and significant increase in the frequency of sudden phenomena such as fires, floods or violent storms.²

While observing significant potential impact of climate changes on the functioning of the Budimex Group, the Management Board decided to carry out the Analysis of climate risks.

Analysis of climate risks in the Budimex Group

In 2021, the Budimex Group carried out the identification and further analysis of risks related to climate change. Within the risks, opportunities and threats resulting from them were subject to the identification and assessment.

The study was performed in accordance with the AXIS® methodology by an external advisory company. The objective of the study was to identify short-, medium- and long-term physical and transformational risks related to climate change and sustainable development issues. The categorisation of risks was carried out in accordance with the guidelines of TCFD (Task Force on Climate-Related Disclosure) and the ISO 3100 definitions.

The study was carried out in three stages:

- Analysis of significant climatic risks in the comparative group
- Questionnaire survey of the expert group selected in the company
- Calculation of results and categorisation of identified risks, threats and opportunities

The study took into account 30 risks divided into 8 groups. Within the risks, 26 potential opportunities and 37 potential threats were identified. In accordance with the AXIS® methodology, risks are assessed on the basis of three dimensions: probability of occurrence, extent of impact and time horizon. Probability means that a given threat/opportunity may occur with a specific impact. The impact represents the significance of effects of a given threat/opportunity if it occurs. The time horizon is predetermined by the validity date of the significance assessment. The horizon was assessed on a point scale with five time intervals (2021-2022, 2023-2025, 2025-2030, 2030-2040, 2040-2050).

¹ Intergovernmental Panel on Climate Change, *Climate Change 2021 The Physical Science Basis Summary for Policymakers*, Switzerland, 2021, p.10

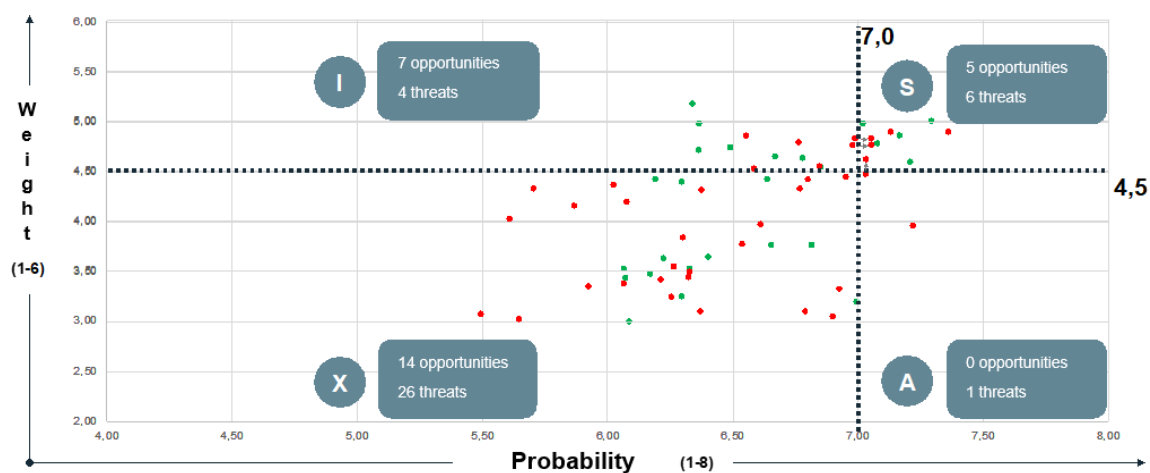
² Ibidem p. 13-20

When the study results refer to time horizons, their scope is defined as follows:

Horizon		
Short	1	3
Medium	4	10
Long	11	30

On the basis of the assessment assigned to the opportunities and threats, they are classified to one of the groups. Threats and opportunities considered as significant are in Group S (**Seizure**). Opportunities and threats allocated to Group I (Intensification) and Group A (Amplification) at this stage are subject to monitoring and only in selected cases to management. Opportunities and threats which are subject to monitoring only in selected cases were classified to Group X (eXclusion). In the described study, the following items were classified to particular groups:

- Group A (Amplification) – high probability and low weight:
 - no opportunities
 - 1 threat
- Group X (eXclusion) – low probability and low weight:
 - 14 opportunities
 - 26 threats
- Group I (Intensification) – high weight and low probability:
 - 7 opportunities
 - 4 threats
- Group S (Seizure) – high probability and high weight:
 - 5 opportunities
 - 6 threats



The table below presents risks classified as significant in the analysis process:

Risk	Threat/Opportunity	Time horizon	Management
Long-term physical risks			
Risk of increasing average temperatures	Threat of the impact of increase in average temperatures on working conditions in contracts	Medium – long	The Budimex Group cares for the fulfilment of the OHS conditions at construction sites, including proper adjustment of the works planned to weather conditions so as not to pose a threat to its own employees and subcontractors.
Risks related to the policy and regulations/provisions of law			
Risk of the introduction of taxes, customs duties or other carbon charges	Threat of the increase in costs caused by the introduction of tax, customs duties or other carbon charges	Medium	The Budimex Group actively increases the mix of low-emission and emission-free energy and works on green mobility. These topics constitute permanent element of strategic plans.
Risk of changes in energy efficiency regulations and standards	Threat of the strengthening of provisions concerning energy efficiency of buildings	Short	The risk management is carried out mainly through plans concerning the increase in the percentage of certified raw materials and products in the Budimex Group's projects, as well as LEED and BREEAM certification.
Risk of changes in energy efficiency regulations and standards	Opportunity to reduce emissions and energy used by the increase in the energy efficiency of buildings constructed	Medium	The risk management is carried out mainly through plans concerning the increase in the percentage of certified raw materials and products in the Budimex Group's projects, as well as LEED and BREEAM certification.
Risk of the extension of obligations concerning the calculation of greenhouse gas emissions	Threat of the necessity to calculate and report the carbon footprint of buildings	Medium	The Budimex Group monitors greenhouse gas emissions in Scope 1 and 2 calculated in accordance with the GHG Protocol methodology.

Risk	Threat/Opportunity	Time horizon	Management
Risk of the extension of obligations concerning the calculation of greenhouse gas emissions	Opportunities for more efficient preparation for the fulfilment of obligations concerning the carbon footprint reporting than competitors	Short – medium	The Budimex Group plans to extend the calculation of GHG emissions by elements of Scope 3.
Risk related to the circular economy	Opportunity to offer services of waste management in a manner compliant with the circular economy principles	Medium – long	Opportunities may be connected with the management in the future through R&D (own and in cooperation with a strategic investor) enabling research, implementation and application in the future of components and technologies consistent with the circular economy principles.
Technological risks			
Risk of the emission intensity of energy sources	Threat of the increase in energy prices as a result of high-emission energy mix in Poland or in other countries	Short – medium	The threat is managed by increasing the percentage of energy from emission-free sources in the energy mix purchased by entities from the Budimex Group.
Market risks			
Risk of the increase in prices of raw materials, materials and services	Threat of the increase in costs of raw materials, materials and services caused by other climate risks	Medium	The answer to the threat is the plan to obtain access to materials with low environmental cost or their development on its own.
Risk of making access to financing dependent on countering the climate crisis	Opportunity for easier access or cheaper financing granted in connection with the fulfilment of the criteria of counteracting the climate crisis	Long	The Budimex Group plans to intensify activities aimed at maintaining and improving assessments in ESG ratings.
Risk of cooperation with suppliers	Opportunity for the transfer of knowledge and competences with the support of a strategic investor	Short – medium	<p>The Budimex Group actively applies good practices and strategic approach developed by the Ferrovial Group.</p> <p>The Budimex Group actively cooperates with its suppliers and subcontractors, sharing with them best practices in the ESG areas.</p>

7.3. Fuels and energy

[GRI 302-1] [GRI 302-3] [GRI 302-4]

The Budimex Group's demand for fuels and energy results mainly from:

- production of bituminous mass,
- operation of construction equipment, transport of materials, raw materials
- and waste,
- use of company cars.

The ongoing energy consumption related to works and, therefore, the emission level are closely connected with the performance stage of a given investment and results e.g. from the demand for transport, operation of machines or production of bituminous mass. Due to a relatively long contract performance cycle (much more than one year), comparing energy demand and energy consumption on an annual basis is sometimes rather unreliable. Positive or negative changes in effects may result from the current state of implementation of the contract portfolio, instead of changes in the operating model. However, these changes take place because the Budimex Group undertakes operational activities aimed at permanent reduction of the energy consumption and the emission level (e.g. through successive replacement of equipment) and educational activities addressed to employees, which translate into lower consumption of electricity and fuel.

		Budimex Group		
	Unit	2020	2021	year-on-year change
Light fuel oil	MWh	4,899.92	6,759.92	38.0%
Coal dust	MWh	66,209.45	71,499.92	8.0%
Network natural gas	MWh	2,714.07	1,774.53	-34.6%
LPG	MWh	0.82	8,156.68	992,196.7%
Propane-butane	MWh	448.88	112.52	-74.9%
Propane gas	MWh	0.00	1,356.43	-
Petrol	MWh	11,703.42	16,678.42	42.5%
Diesel oil	MWh	146,961.08	132,714.55	-9.7%
CNG	MWh	0.00	1,144.45	-
Electrical energy	MWh	27,634.24	23,814.13	-13.8%
-Electrical energy from renewable sources	MWh	4,418.15	7,069.59	60.0%
Heat energy	MWh	14,318.49	10,789.31	-24.6%
Total energy	MWh	274,890.37	274,800.85	0.0%

Since 2019, the Budimex Group has been transforming its fleet in accordance with the principles of green electromobility. The percentage of electric and hybrid vehicles is steadily increased. Wide-spread activities in this area constitute one of the important areas of strategic measures.

A complete summary of fuel and energy consumption in Budimex SA and in the Budimex Capital Group is presented in the Appendix.

7.4. Reduction of greenhouse gas emissions

[GRI 305-1] [GRI 305-2] [GRI 305-4] [GRI 305-5] [GRI 305-7] [TCFD]

All companies belonging to the Budimex Capital Group manage activities affecting the level of emissions. Activities in this scope are concentrated on key areas listed in the CSR Strategy for 2021-2023. In order to continuously

reduce the carbon footprint, the Group implements e.g. solutions optimising fuel and energy consumption in operational processes, energy-efficient building designs (the area takes into account the LEED and BREAM certification) and replacement of the fleet with vehicles with reduced or zero emissions in transport. The energy used in Budimex SA in 2021 came in 100% from certified renewable sources.

Emission calculations were prepared in accordance with the following standards: The Greenhouse Gas Protocol. A Corporate Accounting and Reporting Standard Revised Edition and GHG Protocol Scope 2 Guidance. Greenhouse gases identified and included in the calculations are CO₂, CH₄ and N₂O, expressed as a CO₂ equivalent. No biogenic CO₂ emissions were identified. The sources of emission rates were mainly the publications by KOBIZE (National Centre for Emissions Balancing and Management), the Energy Regulatory Office and indicators published by energy suppliers. The emission amount from the production of consumed electricity was calculated according to the market-based method; if the supplier was known, the emission rates provided by it were applied for electricity, while the rate of 0 kg CO₂ e/kWh was assumed for energy from RES confirmed by the Guarantees of Origin.

Total year-on-year greenhouse gas emissions

		Budimex Group			
	Unit	2019	2020	2021	year-on-year change
Scope 1	Mg CO ₂ e	72,144.7	89,027.1	68,361.0	-23.2%
Scope 2 market-based	Mg CO ₂ e	19,276.4	20,856.5	16,030.1	-23.1%
-Scope 2 location-based	Mg CO ₂ e	23,073.2	25,670.0	25,532.1	-0.5%
Total market-based emissions	Mg CO ₂ e	91,421.1	109,883.6	84,391.1	-23.2%

7.5. Raw materials and waste

[GRI 301-1] [GRI 306-1] [GRI 306-3] [GRI 306-4] [GRI 306-5]

Raw Materials

Raw materials and materials most frequently used during the works conducted by the Budimex Group are: plain and modified road asphalt, cement, concrete, steel, hydraulic binders, lime dust, asphalt aggregate (including sand and grit), construction aggregate (sand, gravel), road aggregate (sand, grit, etc.), hydro-technical stone and railway breakstone. The following materials are potentially subject to re-processing: slag, excavated rocks, cement, crushed aggregate for bituminous mass, mixes from crushed aggregate, concrete, steel, wood. Effective (in terms of environmental protection and economy) management of demand for materials and raw materials and their recycling is possible through the VE (value engineering) monitoring system.

Raw materials and materials*

		Budimex SA		
	Unit	2020	2021	year-on-year change
Concrete	m ³	749,566.0	841,198.9	+12.2%
Cement	Mg	164,980.0	126,350.4	-23.4%
Steel	Mg	43,481.0	44,166.0	+1.6%
Asphalt	Mg	41,523.0	44,262.7	+6.6%
Hydro-technical aggregate	Mg	183,040.0	128,830.0	-29.6%
Railway breakstone	Mg	425,350.0	262,200.0	-38.4%
Hydraulic binders	Mg	bd.	140,738.0	-
Railway tracks	Mg	9,529.0	7,138.0	-25.1%
Prestressed concrete railway sleepers	Pcs	17,636.0	90,538.0	+413.4%

		Budimex SA		
	Unit	2020	2021	year-on-year change
Wooden railway sleepers	Pcs	8,016.0	3,595.0	-55.2%
Wooden bearers	m3	1,280.0	264.0	-
Coarse aggregate (grit)	Mg	635,864.3	678,828.0	+6.8%
Fine aggregate	Mg	175,549.8	171,817.0	-2.1%
Continuous gradient aggregate (other aggregate)	Mg	49,773.3	99,828.9	+100.6%
Lime dust (fillers)	Mg	19,816.6	20,034.3	+1.1%
Coal dust for firing systems WMB CN27021000	Mg	11,221.9	11,784.0	+5.0%

*Reference data concerning the consumption of aggregate come from the selected operating unit constituting a representative example

		Mostostal Kraków Sp. z o.o.
	Unit	2021
Steel (sheet)	Mg	3,453.0
Steel (profiles)	Mg	7,360.7

Waste

Construction waste mainly comes from demolition and renovation works, and its total amount depends on the number of contracts and their progress. Waste management on construction sites is regulated by the 'Waste Management Plan' contained in the BIOZ Plan.

If hazardous waste is to be generated during works, the contractor is obliged to take this issue into account in the 'Safe Work Method Statement' and to respond to emergency situations and environmental incidents. Proper waste management on construction sites, including the monitoring of potential residuals of hazardous substances, is done on an ongoing basis by the laboratories located on the project site.

A different type of waste is generated at each construction stage. Bricks and concrete waste are produced at the initial stage of demolition of facilities on the site where a new project is to be constructed, while old asphalt or track ballast is produced after the road and track removal. The most commonly generated waste types include: soil and rubble, rocks and waste from renovation and disassembly of construction facilities and road infrastructure. Many of them can be re-used at subsequent stages of works. The soil removed is a valuable raw material that may be applied in finishing works. Shrubs and branches from felling, which often cannot be avoided, can be used as biomass fuel or horticultural material after being ground into small pieces (the so-called chipping).

Waste generated on construction sites has been more frequently reused (e.g. crushed concrete from demolition may be used as aggregate, removed bituminous mass as reclaimed asphalt). During construction and demolition works, the following can be segregated: metal, wood, glass, rubble, soil, earth, breakstone, etc.

Manufactured waste

		Budimex Group		
	Unit	2020	2021	year-on-year change
Non-hazardous waste	Mg	5,951,766.61	2,903,193.55	-51.2%
Hazardous waste	Mg	1,534.85	2,841.12	+85.1%

The subsidiary of the Budimex Group – FBŚerwis conducts activities with the waste management as one of the key areas. Below we present a detailed summary of waste management in FBŚerwis.

	Unit	FBSerwis SA		
		2021		
		processed within the plant	processed outside the plant	total
Waste collected and directed for recovery				
Hazardous waste	Mg	0.00	7.83	7.83
Preparation for re-use	Mg	0.00	0.00	0.00
Recycling	Mg	0.00	0.00	0.00
Other forms of recovery	Mg	0.00	7.83	7.83
Non-hazardous waste	Mg	6.34	241,652.10	241,658.44
Preparation for re-use	Mg	0.00	0.00	0.00
Recycling	Mg	6.34	63,685.80	63,692.14
Other forms of recovery	Mg	0.00	177,966.29	177,966.29
Total waste collected and directed for recovery	Mg	6.34	241,659.93	241,666.27
Waste collected and directed for disposal				
Hazardous waste	Mg	0.00	0.68	0.68
Incineration (with energy recovery)	Mg	0.00	0.00	0.00
Incineration (without energy recovery)	Mg	0.00	0.00	0.00
Storage at waste landfills	Mg	0.00	0.68	0.68
Other ways of waste management	Mg	0.00	0.00	0.00
Non-hazardous waste	Mg	58,880.42	120,008.78	178,889.20
Incineration (with energy recovery)	Mg	0.00	27,137.70	27,137.70
Incineration (without energy recovery)	Mg	0.00	59,229.40	59,229.40
Storage at waste landfills	Mg	58,880.42	33,641.68	92,522.10
Other ways of waste management	Mg	0.00	0.00	0.00
Total waste collected and directed for disposal	Mg	0.00	27,137.70	27,137.70
Total hazardous waste	Mg	0.00	8.51	8.51
Total non-hazardous waste	Mg	58,886.76	361,660.88	420,547.64
Total waste	Mg	58,886.76	361,669.39	420,556.15

7.6. Protection of water resources

[GRI 303-3] [GRI 303-5]

The management of water resources constitutes one of the important issues managed under the CSR Strategy for 2021-2023. The demand and actual consumption of water resources depend to a large extent on the nature and stage of the implementation of contracts on which construction works are carried out in the balance sheet period.

Water and sewage

		Budimex Group		
	Unit	2020	2021	year-on-year change
Water consumption				
Water purchased	m ³	197,848.2	143,753.0	-27.3%
Water from own intakes	m ³	1,661.0	1,835.1	+10.5%
Total water consumption	m³	199,509.2	145,588.2	-27.0%

7.7. Impact on the local environment and biodiversity

Formally, the investor is responsible for preparing the project, including public consultation and environmental impact level. Companies from the Budimex Group, acting as a general contractor, have no direct impact on these issues, except for situations where, being a designer within a given contract, they participate in the preparation of the investment in environmental and social terms. The key to success is to carefully organise construction sites and their facilities, in particular to run technological roads so that they are as little burdensome as possible from the point of view of road participants and local residents.

Construction facilities, warehouses, yards and transportation bases are firstly located on already developed and transformed territories. If possible, the construction site is organised at a safe distance from inhabited areas. During the project implementation, materials and raw materials are transported mainly with use of existing road lanes. Tree trunks and roots are adequately protected against mechanical damage related to the use of heavy equipment, habitats of animals and plants are fenced, and water reservoirs protected against potential contamination with chemical substances.

When works are completed, the surrounding area is restored to be as similar as possible to the pre-construction condition. New trees are planted in place of the trees that had to be felled, while the top, humus layer of the soil that had to be removed is reused.

A popular operation is also the transfer of plants from the construction site to new sites of the same or similar habitat and soil conditions (the so-called metaplantation).

In connection with the potential impact of construction works on the destruction of habitats or the disturbance of animals, in 2021 it was necessary to transfer plants and animals. All related activities were based on the obtained conditions included in the derogation decisions issued by the Regional Directors for Environmental Protection in accordance with the competence division.

The schedule of construction works is adjusted to the natural cycle, which means, for example, the suspension of works in the period of migrations of forest animals, amphibians and fish or during the bird breeding season.

Environmental amenities most often concern the course of roads in the vicinity of households and passages for animals according to their migration routes and the preservation of protected areas (ecotones) in forests. In order to protect nature, drainage systems are also created. Transparent sound-absorbing screens are also put up.

When works are completed, the surrounding area is restored to be as similar as possible to the pre-construction condition. New trees are planted in place of the trees that had to be felled, while the top, humus layer of the soil that had to be removed is reused.

All works are performed in accordance with current legal requirements, including those applicable to the Natura 2000 sites. An environmental control of the impact area and habitats on a given territory and an environmental observation after the project completion are also carried out. In accordance with the applicable regulations, an environmental impact report is prepared before the commencement of a project with a potentially significant impact on the natural environment. Experts in various fields are involved in preparing the document: ornithologists, herpetologists, botanists, etc. The report shows potential risks and recommendations for mitigating the effects of the project.

In 2021, during the implementation of contracts Budimex SA performed the activities in accordance with the provisions of decisions on environmental conditions and building permits. As a result of the decisions on environmental conditions, a number of protected zones and areas were found at construction sites and within the distance of up to 500 m.

Specialists support all pro-environmental activities conducted by the Group: they monitor the project implementation on an ongoing basis and issue conclusions and recommendations. Most construction sites are subject to environmental supervision according to environmental decisions and contracts with an entity ordering a given project. In addition, sometimes the supervision is carried out at the request of the contract management or preventively, even when the law does not require this. Thus, the Budimex Group applies the precautionary principle.

Care for the environment is made easier for the employees and subcontractors by boards placed on construction sites, informing about places for storing construction waste, places for washing concrete pumps and areas where special care should be taken due to the occurrence of protected species or tree protection areas. The presence of appropriate markings is verified during SOB audits.

One of the principles in force on construction sites of the Budimex Group is to have the so-called environmental first aid kit, i.e. a set for quick containment and neutralisation of spills of environmentally hazardous substances, such as oils or petroleum products.

They are situated in marked places and the employees are informed about their location. In accordance with the precautionary principle, any potential contamination is treated as environmentally hazardous until the determination of its type and source. Another requirement is to manage the waste generated, to keep its records and to collect it.

Significant events occurring between the end of the balance sheet period and the date of the report publication

On 4 January 2022, an agreement was signed between three companies selected through a tender and the Border Guard for the construction of 186-kilometre-long barrier on the Polish-Belarusian border. Budimex SA is responsible for the construction of 100 km of the barrier section.

On 25 January 2022, the Border Guard handed over the site for the barrier construction to the contractors.

On the Białowieża Forest section, the barrier contractor is Budimex SA. The construction site includes 2 km of the area of a strict nature reserve, other areas covered by the construction site are the Natura 2000 protected areas and areas with a different classification. The project assumptions provide for a six-month period of construction works. The construction takes place under the terms of the Polish Act of 29 October 2021 on the construction of state border security installations. Pursuant to Article 6 of the above-mentioned Act, separate provisions, including the construction law, water law, environmental protection law, regulations on sharing information on the environment, geodetic and cartographic law, provisions on spatial planning and development, provisions on the protection of agricultural, forest and environmental land, provisions on railway transport, provisions on special rules for preparing and implementing public road projects do not apply to the investment, in particular the following is not required:

- a) building permit or notification,
- b) decision on establishing the location of the public purpose investment,
- c) preparation of the construction design,
- d) obtaining other decisions, permits, opinions and arrangements or submitting notifications.

Therefore, during the implementation of the described investment, the procedure of consultations and actions aimed at the preservation of biodiversity applied in the case of investments carried out under the conditions not regulated by the above Act, was not applied.

On 26 January 2022, representatives of the Budimex Group held consultations with local governments. The meetings were attended by representatives of the army, heads of 5 communes located on the investment route, forest inspectorates and the Head of the Hajnówka District.

On 14 February 2022, the General Director for Environmental Protection stated that fast construction of a permanent barrier would be much more beneficial for nature than the existence of a temporary barrier and the presence at the border of a large number of people.³

On 15 February 2022, the District Road Administration in Hajnówka signed an agreement with Budimex SA concerning the repair of damage on district roads which may be devastated during the construction period.

The Budimex Group is identifying the significant impact that the construction of the barrier may have on biodiversity.

7.8. Nature conservation in the supply chain

We expect our subcontractors to respect legal standards and environmental decisions. The requirements are included in a separate appendix to agreements ('Environmental Protection Requirements'). Every subcontractor is obliged to respond to emergency situations and environmental incidents according to the system and standards of the Group.

Subcontractors participate in mandatory training concerning procedures applicable in the scope of environmental protection and rules of conduct in the case of failure. In addition, their equipment is subject to technical efficiency assessment. Construction site supervisors receive specialist training in environmental protection, while the remaining staff participates in regular training courses in OHS management and environmental protection on contract.

The Environmental Protection Team, which carries out inspections and audits on the contracts performed, is responsible for ensuring compliance with the environmental protection rules. Budimex SA has a dedicated system for collecting data concerning environmental incidents, on whose basis information in this respect is reported from construction sites. The management of environmental incidents and failures constitutes part of the documentation of the Environmental Management in the company. Environmental standards concerning prevention of environmental incidents have been developed internally, and construction sites are equipped with environmental sets according to the specific nature of a given investment. In 2021, 2 leaks of operating fluids resulting from failures of components of construction machines were recorded. In 2021, no environmental damage resulting from the Budimex Group's activities was detected. Therefore, no penalties for environmental damage were imposed.

In 2021, the Budimex Group conducted a number of actions in cooperation with local governments. These actions included planting, construction of green bus stop infrastructure and education.

³ <https://www.gov.pl/web/gdos/nie-mur-a-nowoczesna-zapora-czyli-bezpieczenstwo-z-poszanowaniem-przyrody>

8. Employee issues in the Budimex Group

8.1. We care for safety

8.1.1. OHS management in the Budimex Group

[GRI 403-1] [GRI 403-2] [GRI 403-7] [GRI 403-8]

As a company from the construction sector, the Budimex Group considers the OHS area as particularly important. Appropriate regulations and care for the compliance with the OHS rules constitute a key element of our responsibility towards the employees as well as important stakeholders, who expect that during the performance of contracts we will adhere to the highest standards. Providing employees with safe working conditions is included in the basic values of the Budimex Group, and the OHS issues constitute one of the main areas of the CSR Strategy for 2021-2023.

Since 2019, Budimex has had the ISO 45001 certificate – Occupational Health and Safety Management Systems. Also Mostostal Kraków has the ISO 45001 certificate. ISO 45001 assumes the engagement of all entities participating in the investment process in the creation of a safe workplace. In addition to the management systems, the Budimex Group applies the 'Ferrovia Minimum Occupational Health and Safety Standards'. Their main message is the organisation of the construction process taking into account the principle that each employee of the Group companies and their business partner should return to their family and relatives after the completion of their work. They emphasise this by stating: 'nothing can stop us from respecting safety rules, for which we always must have time'.

The Budimex Group also has the 'OHS Policy', which assumes the following:

- ensuring safe and hygienic working conditions to effectively prevent accidents, near misses and occupational diseases of employees and subcontractors,
- ensuring the organisation's context relevant to the scope of operations, including all stakeholders and associated risks and opportunities,
- ensuring the supervision and reduction of the OHS risk in accordance with the principle of supervision hierarchy,
- monitoring and strict observance of applicable legal and other provisions in the field of OHS,
- ensuring appropriate training for employees of the Group companies to continuously increase their commitment for the improvement of working conditions and building leadership within the organisation,
- creating for all employees and their representatives the conditions for consultations and participation in creating common safety by supporting initiatives aimed at improving the OHS processes,
- continuously improving the OHS management system through the exchange of best available practices.

OHS Committee and OHS Executive Committee

In companies of the Group, OHS Committees operate with the participation of representatives of employees and the employer who represent all employees. Their task is to carry out weekly OHS checks on all contracts. Information from inspections and recommendations are stored in one place, due to which their monitoring is easier.

In late 2019 and early 2020, in addition to the OHS Committee, in Budimex SA the OHS Executive Committee was established at the initiative of Branch Directors. Pursuant to the plan for 2021, the Committee met 4 times. A permanent point of the Executive Committee is the discussion of the Statistics regarding Incidents, including accidents, near misses and observations of hazardous situations and behaviours, Senior Management Visits and Inspections of the OHS Services. In the period covered by the report, the Committee appointed several working groups, whose aim was to:

- carry out the analysis of the condition of machines, develop solutions in order to eliminate accidents related to them and update the accident procedure,
- develop Educational Campaigns addressed to the Budimex Group's employees and Subcontractors in the scope of:
 - works performed near machines:
 - works performed near above-ground and underground installations,
 - works at height and in the vicinity or on the railway.

Employees at various levels of the organisation are involved in monitoring safety. The OHS services carry out OHS inspections on contracts and at the headquarters. The team of internal auditors monitors the proper functioning of the security system by means of system audits. The compliance of work organisation regarding projects is verified through SOB audits. Since 2019, a group of management staff of Budimex SA has been conducting Senior Management Visits to build the culture of safety at all levels of the organisation.

8.1.2. Accident prevention and OHS training

[GRI 403-3] [GRI 403-4] [GRI 403-5]

Budimex strives to ensure the observance by the Group's employees of the best OHS practices in their daily work. Training in this area is organised more often than it is required by the provisions of law. The training programme is created together with employees, who have the opportunity to consult and evaluate OHS workshops.

Within periodic training conducted by their immediate supervisors, they can update their knowledge of the most important OHS risks and regulations related to the tasks they perform. Numerous campaigns were also carried out – both on the Intranet (articles) and with the use of standard communication tools (posters and leaflets located in offices and on construction sites) on OHS standards applicable in Budimex.

COVID-19 prevention

Since the introduction of the pandemic state in March 2020, the organisation has had a temporary OHS training manual. OHS training for supervision employees is carried out through e-learning, for physical employees by their direct supervisors on the basis of materials prepared by the Agreement for Construction Safety. Training in the project safety management system for the youngest staff within the Young Engineer Academy is carried out online. Many training courses and workshops were also organised during the Safety Week, but they were held outdoors.

This year, Budimex also started a series of training courses on the 'OHS Leadership and building the culture of safety in the organisation' for the Top Management, taking place on a stationary basis, but with the observance of the Covid regime, and each training is preceded by the performance of antigen tests by internal trainers and all participants of the training.

The pandemic affected the form of training and development activities conducted by the Development and Training Department for the Employees. Activities were carried out online, however with the maintenance of the content and adjustment to the needs and possibilities of the employees' participation in the Training courses. The training offer for 2021 was strengthened by a series of podcasts, e-Learning platforms, instruction and training videos, as well as series of Webinars.

In 2021, we provided training to a large extent in a remote form, but in situations requiring it (e.g. training related to work safety on the Contract or technical training) it was provided in a stationary form.

Stationary training was carried out with the consent of supervisors, as well as with the observance of the sanitary regime. Before the training, tests for the SARS-CoV-2 virus were carried out. Hand sanitisers and masks were available. In most cases, the consent to such training was granted to the teams cooperating on a permanent basis and in programmes and projects requiring the presence of employees during the training.

Safety Week

In 2021, Budimex organised an annual 'Safety Week'. The employees of the Budimex Group and the Subcontractors had the opportunity to participate in numerous training courses, webinars and events offered within the extensive programme. The Group organised centrally 45 practical firefighting training courses, 21 practical first aid training courses and a number of health and well-being webinars where participants could obtain practical information about the fight against tobacco addiction or the prevention of breast and cervical cancer as well as testicular and prostate cancer. During the 'Safety Week', the DKMS Foundation carried out its action – the Week of Bone Marrow Donors. 175 people participated in the foundation's webinar and 39 registered as the bone marrow donors. The following guests participated in other events of the 'Safety Week':

- National Labour Inspectorate (PIP)
- Fire Brigade
- Office of Technical Inspection (UTD)
- Emergency Service
- General Directorate for National Roads and Motorways (GDDKiA)
- Investors

In this year's 'Safety Week' programme, 3605 Budimex employees and 2149 employees from 437 subcontracting companies took part.

Safety in construction is a project promoting the safety culture among the employees of Budimex SA. The basic assumption is to change the paradigm of thinking about safety and to redirect attention from formal issues (legal acts, instructions, etc.) to people and their decisions and actions. The second important element is the perception of safety as a process that requires everyday involvement and work of every employee, at every stage of work. Safety is not a one-off product, we create it every day through our decisions and actions.

The main objective of the project is to generate the attitude of co-responsibility for security issues at the Budimex employees by referring to values, sense of personal acts, co-responsibility for one another and formation of good

habits in the scope of thinking and acting. The project included: educational and promotional videos, Webinars and one-pagers containing the summary of the most important contents.

The invited guests included people from the world of business and science who, due to their professional experience, could share valuable knowledge with us and inspire the participants to take a new look at security. Krzysztof Hołowczyński showed us using specific examples that a 'shortcut' is always longer and that safety is the responsibility of the whole team. Beata Kula and Mateusz Banaszkiewicz, in turn, talked about how cognitive mistakes and mistakes resulting from our habits may lead to decision mistakes and how we can prevent them.

Other training courses on the OHS issues

Training courses in the area of occupational safety were also performed within cyclical educational and development programmes implemented in the company. The 'Young Engineer Academy' included online training dedicated to young construction engineers. They presented the most important aspects of safety management at the level of construction design, cooperation with subcontractors and practical application of this knowledge on the example of works at height (which occur in many projects implemented by the Budimex Group).

At the end of the year, within the 'Contract Manager Academy': – a development programme preparing employees for the role of contract managers, dedicated webinars on building the culture of safety and leadership in the area of security and new obligations related to the implementation of security strategies at the team level that they will manage in the future were organised.

In 2020, the 'Stand Down' awareness campaign was carried out for employees of construction sites and subcontractors, whose aim was to strengthen attention to all potentially fatal incidents and responses to any noticed irregularities or dangerous behaviours on projects.

Within its commitment to the 'Agreement for Construction Safety', Budimex developed a number of new standards (e.g. 'Standard of Works in the Railway Area') and OHS guidelines, due to which it made a significant contribution to improving safety in the industry.

How Budimex reacts to accidents

In the Budimex Group, each accident is described in compliance with the Polish regulatory classification as well as procedures and classification adopted by the strategic investor – the Ferrovial Group. The Group's internal self-regulations are more restrictive than the provisions of law regarding accidents. The Company conducts in-depth analyses of accidents and post-accident statistics (e.g. there are differences in the process of assessing accidents and the definition of severe accidents), which makes it possible to precisely determine actions that constitute the source of hazards, types of behaviours that should be avoided and behaviours that are recommended.

The employees' exposure to hazards depends on the nature of the works performed. In the case of construction contracts, hazards are related e.g. to the risk of falling from height or injury in contact with construction machines. With regard to Mostostal Kraków SA, hazards result from the use of band saws, machines with moving parts for steel structure processing, transport of structures with the use of overhead cranes, and their loading and unloading.

In turn, the employees of FBSerwis SA responsible for road and motorway maintenance are exposed, for example, to collisions with vehicles in road traffic. Waste management involves risks related to biological agents (e.g. pricks, cuts with contaminated waste elements) and the risk of collision with machinery and vehicles on and outside the premises of the disposal facility.

All accidents, regardless of their effect, are treated in the Budimex Group very seriously. Every major incident is communicated throughout the organization with alerts. Every year the company carries out investigations in the scope of all incidents that have happened in the organisation.

In the first half of 2021, the EIR (Executive Incident Review) meetings were held every 2 weeks, and in the 3rd and 4th quarters every week, excluding holidays and non-working days. The objective of the meetings was, as in the previous year, to share experiences and to take and promote corrective actions and appropriate post-accident procedures. As a result of the analysis of accident data in 2021, a number of preventive measures were taken:

- Provision of the Budimex supervision staff on each day of construction works – the submission to the Area Director of regular reports on the staff planned for the weekend was implemented.
- Education of the Budimex employees and Subcontractors by providing information about accidents, near misses and potentially fatal incidents during OHS quarters and instructions and familiarising them with alerts.
- Implementation of 'OHS Patrols' on all railway constructions – involvement of the managerial staff and education of young employees in the scope of hazard identification and application of good practices at the construction site, exchange of observations between industry specialists, involvement of employees in the construction review concerning OHS issues.
- Introduction of the prohibition of repairs of construction machines on the construction site by unauthorised employees.

- Educational training for supervision employees (checking with the staff all circumstances and formalities concerning post-accident procedures; analysis of causes; information about possible consequences). Introduction of mandatory weekly coordination meetings.
- Introduction of training on responsibilities in the scope of the supervision over Subcontractors, carried out by the Budimex supervision.
- Mandatory construction supervision rounds were introduced after the work completed, taking into account completeness of OHS protections at the end of the day. In the case of shortages – in the morning on the following day the appointed employees start working on supplementing the shortages indicated.

In the period covered by the report, no cases of occupational diseases were identified in the Budimex Group.

[GRI 403-9] [GRI 403-10]

Indicators concerning OHS issues

	Budimex Group		
	2020	2021	year-on-year change
Accidents among employees			
Number of accidents, including:	134	112	-16.4%
Minor accidents	132	108	-18.2%
Serious accidents	2	4	+100.0%
Fatal accidents	0	0	-
Collective accidents	0	0	-
Accidents among subcontractors' employees			
Number of accidents, including:	53	31	-41.5%
Minor accidents	48	30	-37.5%
Serious accidents	3	0	-100.0%
Fatal accidents	2	1	-50.0%
Collective accidents	0	0	-
Accident indicators			
Accident frequency indicator (accidents at work per 1,000 employees)	18.4	16.2	-11.9%

Other OHS indicators	
	Budimex Group
	2021
Number of employees working in a given year in conditions where the maximum permissible concentrations or maximum permissible intensities are exceeded	1,025
Number of days of incapacity for work caused by accidents	3,642
Accident severity indicator (number of days of incapacity for work per accident)	25.5
Number of occupational diseases observed in a given year	1

8.2. Management of the employee area

The companies of the Budimex Group have a set of Instructions creating the employee area management system. These documents set out the rules for the management of human resources, regulating the following areas:

- recruitment,
- principles of employment,
- remuneration and employee benefits,

- relocation of employees,
- periodic assessment,
- standards of development and training,
- ethical issues,
- counteracting mobbing and discrimination.

This allows us to limit the risk to which the Budimex Group is exposed, which results from lack of appropriately qualified employees. The risk is understood both as limited possibilities of recruiting properly qualified people as well as departures of employees and the related loss of competences by the Group.

8.3. Employment structure

Employees of the Budimex Group

[GRI 2-7] [GRI 401-1]

As at 31/12/2021, the entire Budimex Group had 6,900 employees working on employment agreements for definite and indefinite period of time and thus the employment was lower by 5.1% than in the previous year.

The employment structure in 2021 and changes in relation to previous years are presented in the table below. Extended data concerning the employment structure as at 31/12/2021 are presented in **the Appendix**.

Employees employed under agreements for definite and indefinite period of time

expressed in full-time equivalents	Budimex Group								
	2020			2021			year-on-year change		
	K	M	K+M	K	M	K+M	K	M	K+M
Polish market	1,524	4,877	6,401	1,439	4,546	5,985	-5.6%	-6.8%	-6.5%
employed for a definite period of time	371	1,481	1,852	312	1,156	1,468	-15.9%	-21.9%	-20.7%
employed for an indefinite period of time	1,153	3,396	4,549	1,127	3,390	4,517	-2.3%	-0.2%	-0.7%
employed on a full-time basis	1,494	4,843	6,337	1,343	4,096	5,439	-10.1%	-15.4%	-14.2%
employed on a part-time basis	30	34	64	45	243	288	+50.0%	+614.7%	+350.0%
aged from 51	95	1,016	1,111	90	972	1,062	-5.3%	-4.3%	-4.4%
aged from 31 to 50	966	3,062	4,028	849	2,735	3,584	-12.1%	-10.7%	-11.0%
up to 30 years of age	463	799	1,262	500	839	1,339	+8.0%	+5.0%	+6.1%
German market	1	871	872	4	911	915	+300.0%	+4.6%	+4.9%
employed for a definite period of time	0	845	845	1	885	886	-	+4.7%	+4.9%
employed for an indefinite period of time	1	26	27	3	26	29	+200.0%	+0.0%	+7.4%
employed on a full-time basis	1	871	872	4	911	915	+300.0%	+4.6%	+4.9%
employed on a part-time basis	0	0	0	1	1	2	-	-	-
aged from 51	1	288	289	3	294	297	+200.0%	+2.1%	+2.8%
aged from 31 to 50	0	491	491	1	487	488	-	-0.8%	-0.6%

expressed in full-time equivalents	Budimex Group								
	2020			2021			year-on-year change		
	K	M	K+M	K	M	K+M	K	M	K+M
up to 30 years of age	0	92	92	0	130	130	-	+41.3%	+41.3%
Total	1,525	5,748	7,273	1,443	5,457	6,900	-5.4%	-5.1%	-5.1%

Newly recruited employees

expressed in full-time equivalents	Budimex Group								
	2020			2021			year-on-year change		
	K	M	K+M	K	M	K+M	K	M	K+M
Polish market	244	848	1,092	346	1,109	1,455	+41.8%	+30.8%	+33.2%
aged from 51	9	109	118	29	140	169	+222.2%	+28.4%	+43.2%
aged from 31 to 50	96	449	545	97	547	644	+1.0%	+21.8%	+18.2%
up to 30 years of age	139	290	429	220	422	642	+58.3%	+45.5%	+49.7%
German market	0	721	721	1	736	737	-	+2.1%	+2.2%
aged from 51	0	209	209	1	195	196	-	-6.7%	-6.2%
aged from 31 to 50	0	384	384	0	414	414	-	+7.8%	+7.8%
up to 30 years of age	0	209	209	0	127	127	-	-39.2%	-39.2%
Total	244	1,569	1,813	347	1,845	2,192	+42.2%	+17.6%	+20.9%

Employee departures

expressed in full-time equivalents	Budimex Group								
	2020			2021			year-on-year change		
	K	M	K+M	K	M	K+M	K	M	K+M
Polish market	171.0	958.0	1,129.0	302.0	1,509.0	1,811.0	+76.6%	+57.5%	+60.4%
aged from 51	19.0	227.0	246.0	28.0	340.0	368.0	+47.4%	+49.8%	+49.6%
aged from 31 to 50	100.0	547.0	647.0	166.0	827.0	993.0	+66.0%	+51.2%	+53.5%
up to 30 years of age	52.0	184.0	236.0	108.0	342.0	450.0	+107.7%	+85.9%	+90.7%
German market	4.0	885.0	889.0	0.0	703.0	703.0	-100.0%	-20.6%	-20.9%
aged from 51	4.0	272.0	276.0	0.0	210.0	210.0	-100.0%	-22.8%	-23.9%
aged from 31 to 50	0.0	460.0	460.0	0.0	372.0	372.0	-	-19.1%	-19.1%
up to 30 years of age	0.0	153.0	153.0	0.0	121.0	121.0	-	-20.9%	-20.9%
Total	175.0	1,843.0	2,018.0	302.0	2,212.0	2,514.0	+72.6%	+20.0%	+24.6%

Changes in the employment structure in 2021 were related to the nature of activities carried out on contracts on the Polish and German markets. The turnover indicators for 2021 show a slight increase compared to the previous year.

Net turnover indicator for employees under employment agreements for definite and indefinite period of time

Budimex Group								
2020			2021			year-on-year change		
K	M	K+M	K	M	K+M	K	M	K+M
-4.5%	4.8%	2.8%	-3.1%	6.7%	4.7%	+1.4%	+2.0%	+1.8%

8.4. Remuneration in the Budimex Group

[GRI 202-1] [GRI 405-2]

The remuneration policy is an element of the Instruction system creating the system of the HR area management. In the second half of 2021, works on strategic plans in the ESG areas also included works on expanding policies from the scope of the remuneration area management. The effect of the works was not published until 31/12/2021 and until the publication date of this report.

According to data published by the Central Statistical Office (GUS), the average gross monthly remuneration in Poland was PLN 5,889.84. The average gross monthly remuneration for all employees of the Budimex Group was PLN 13,300, while the average monthly remuneration for **other employees** (this category includes mainly employees in specialist positions and blue-collar employees) was PLN 8,667.

Average gross monthly remuneration

PLN	2021					
	Budimex SA			Budimex Group		
	K	M	medium	K	M	medium
Senior management staff	31,144	58,344	53,325	30,255	55,106	50,795
Managers	12,162	16,478	15,154	11,748	15,591	14,445
Other employees	6,699	9,064	8,667	6,647	8,009	7,809
All employees	10,794	14,076	13,300	10,155	12,136	11,722

8.5. Work atmosphere and development of employees

8.5.1. Development, promotions and training

[GRI 404-1] [GRI 404-2][GRI 404-3]

The principles of conducting training are regulated internally. Individual training and development needs of employees are determined during the employee's discussion with the supervisor taking place during the development planning, which constitutes an element of the assessment and goal setting process, as well as during additional programmes. On their basis, the Development and Training Department plans training activities.

The Budimex Group has Operational Instructions, whose scope regulates: training topics, professional authorisations, co-financing for learning foreign languages and post-graduate studies.

Developmental activities are carried out according to the 70:20:10 model, i.e. 70% of development through practical implementation of tasks, 20% of support from others (e.g. supervisor, coaching, mentoring, etc.), and 10% of training. In 2021, 100% of the employees covered by appropriate procedures received employee assessments.

While speaking about training activities, it must be noted that some trainers are the company's employees (internal trainers). They are people who on a daily basis deal with issues being the topics of training. Due to this, the educational offer is effectively adjusted to the specific nature of the company's activities and directly meets the employees' development needs. In addition, it develops and promotes the culture of knowledge sharing in Budimex.

Development programmes in the Budimex Group

The most important development programmes include:

- 'Young Engineer Academy', which is addressed to newly employed engineer trainees and construction engineers. It is aimed at their smooth implementation into the organisation. The programme also standardises key competences required from engineers and allows them to operate more effectively in accordance with the rules applicable in Budimex. It is carried out in three thematic blocks: personal effectiveness, professional effectiveness and construction site safety. In 2021, 86 people took part in the programme.
- 'Engineer Academy' is a series of training courses conducted by internal experts in a given field, implemented in the organisation for the staff employed under contract. Their participants can expand and update their technical knowledge and exchange good practices with other participants. Some topics are carried out in a classic form (in a classroom), but there are also subjects that are largely taught on the construction site. In 2021, 331 people took part in the Engineer Academy.
- 'Contract Manager Academy' supports newly appointed Contract Managers and people prepared for promotion to this position in the acquisition of substantive competences and practical skills related to the contract management. It enables them to consolidate and expand their knowledge. The programme is divided into three stages: internal workshops deepening substantive knowledge, external workshops focusing on the development of 'soft' competences, and individual support of participants depending on their needs. Significant part of training activities includes special programmes supporting the dedicated groups of employees. One of such actions is the 'Guaranteed Success' supporting professional development of women and the increase of their number in managerial positions in the area of buildings, as well as support in the expansion of leadership and 'soft' competences. Women who qualify for the programme participate in an annual cycle of workshops and meetings. Appropriately long breaks are planned between all meetings so that each project participant can implement the knowledge gained during the training in their daily work.

Programmes aimed at developing leadership skills are extremely important, such as:

- the 'Super Leader' programme, whose purpose is to develop leadership competences among senior managers through strengthening the skills of strategy communication, development of subordinate teams and engaging employees in achieving common goals. It consists of three modules, each of which presents a different leadership style. Before commencing group classes, the 'Super Leader' participants undergo a diagnosis of the leadership styles, which constitutes the basis for feedback and developmental guidelines for them. Within the next steps, participants improve their skills during workshops, coaching sessions and the performance of implementation tasks. Each participant also receives a set of materials to work on the development of the particular leadership style. In the second edition of the Super Leader programme, 82 participants took part.
- 'Managerial Stairs', i.e. the path of developing managerial skills from the beginner manager to the top management, taking into account the level of position held, previous experience and competences necessary for effective management at particular career levels. The programme consists of four stages which gradually expand the knowledge already held by the participant.
- 'Manager's Toolbox' is a series of obligatory training sessions addressed to employees in the production area. Their participants develop their skills to evaluate tasks and provide feedback, learn about employee development planning, practise presentations before the camera, conduct effective business meetings, and deepen their knowledge in the field of labour law. The training programme depends on the scope and type of responsibilities of the participants and their place in the organisation.

The Budimex Group implements also programmes related to the development of interpersonal skills:

- 'Communication Path' is divided into several main stages (effective communication, business presentations, persuasion and influencing, building authority, building relations within the organisation and with external clients, coping with conflict and claims), which take into account subsequent advancement levels of acquired skills and knowledge. Each stage contains several proposals for training topics, thus allowing comprehensive development tailored to individual needs.
- The 'Individual Extended DISC Analysis' is a study that allows learning about the natural potential, predisposition and talents of a person. It is based on self-reflection – the employee carries out self-assessment of how they behave in a particular situation. The main areas of analysis include behaviours and communication styles manifested in the professional area. Following the study, the employee participates in the webinar whose purpose is to explain the Extended DISC model, to communicate the characteristics of the four main styles and to prepare participants to work on their own with individual reports. Then they may continue the development of social competencies within training sessions included in the 'Communication Path'.
- The 'Feedback Culture' is a project aimed at strengthening openness and trust in cooperation by promoting the idea of feedback in the organisation. It offers employees various forms of expanding their knowledge and skills, such as online workshops, training sessions, webinars and examples of inspiring activities.

Remote training on the provision of feedback is divided into three stages: two workshop sessions, 3.5 hours each, and one session lasting 2 hours – behavioural training with an actor. Additionally, the so-called 'knowledge pills' are used in the form of one-pagers, leaflets and short educational videos posted on the Intranet.

- 'Stay Strong' is training of strength and psychological resistance carried out in the form of webinars with the participation of external experts. Its purpose is to encourage employees to take care of their mental well-being and to equip them with practical skills of building psychological resistance in situations of increased stress (mainly related to the COVID-19 pandemic). During meetings, experts discuss in the online formula issues such as ways of increasing vital energy and mental well-being, methods of the regeneration in situations of overload and the maintenance of psychological resistance, time management that allows maintaining work-life balance, e.g. during remote work.

New development and training projects in 2021

- The '**Continuous Growth**' development programme is a project dedicated to persons with high development potential, in specialist and managerial positions. The main objective of the programme is to improve knowledge and skills and to strengthen key competences of the future from the scope of Emotional Intelligence, Decision Making and Strategic Management Aspects of employees dedicated to participate in the programme. Development activities were preceded by structured interviews with representatives of the programme participants and sampling session with Directors of individual business units. Sessions were designed on the basis of detailed needs of the organisation, examined in interviews and sampling sessions. They were equipped with inspiring exercises and practical tools supporting key competences of the future. In 2021, 109 employees participated in the project.
- **Webinars for Parents** – in the scope of activities supporting Well-being, we organised a cycle of Webinars for Parents run by the Mamo Pracuj (Mummy work, if you want to) Foundation. The topics of the cycle covered the functioning of the employees.
- **The Podcast Cycle** is a project addressed to people who prefer to gain knowledge with the use of audio tools. Podcasts are becoming an increasingly popular form of communication and that is why Budimex SA responded to the employees' needs and provided them with a modern form of development through YouTube. Education and development activities dedicated to the employees and managers were divided into two main cycles: Anatomy of Change, Self-discipline. Podcasts are run by Sebastian Kotów – management psychologist, entrepreneur and experienced manager. He actively works with business leaders, supporting organisational changes, development of leaders' competencies and processes of strategy building and implementation.
- **The Career Compass** is a project that contains descriptions of career paths, prepared by representatives of each business division and an external consultant. The solution proposed is adjusted to the needs of Budimex and consistent with market solutions. It shows what career opportunities the organisation can offer to the employee, both within vertical and horizontal promotions.

Engagement Survey

As a result of the Engagement Survey carried out in the Budimex Group, the following training programmes were implemented:

1. Implementation of platform for Evaluation 360
2. Implementation of the pilot project 'I migrate – I expand my knowledge'
3. Implementation of the Mentoring project

Average number of training hours in 2021

	Budimex Group		
	K	M	K+M
Senior management staff	31.6	38.3	37.2
Managers	6.8	11.5	10.1
Other employees	29.7	15.8	17.8
All employees	16.5	14.9	15.2
Expenses on training in a given period (PLN thousand)	999.6	2,593.1	3,592.7

8.5.2. Employee benefits

[GRI 401-2][GRI 403-6]

Budimex employees have the possibility to benefit from co-financing for participation in sports events in which they represent the company, e.g. 'Poland Business Run' or 'Santa Claus Run'. The company supports and promotes their hobby through a series of talks and articles entitled 'One company, many passions' published on the Intranet. The employees share their interests and inspire and motivate each other to pursue an active lifestyle.

Budimex offers the employees the following benefits:

- extra payments to the Employee Capital Plans (PPK) – the Budimex Group companies have agreed for additional voluntary contributions to monthly premiums, which mean higher pensions for employees in the future,
- large package of medical services regardless of the position occupied by the employee,
- wide selection of services in the 'MyBenefit' programme, thanks to which every employee may decide on its own on the allocation of its funds from the Company Social Benefit Fund,
- co-financing for sports activities as part of the 'Aktywni BX' initiative (sports sections) and the possibility of using sports facilities with the 'MultiSport' card,
- life insurance and the option of its extension by additional risk categories (apart from the risks for which insurance is paid by the employer),
- additional, payable day off on one's birth or name day,
- attractive interest on loans and allowances for people in a difficult life situation,
- housing allowances for white-collar employees,
- gifts for mothers on the birth of their children,
- co-financing for obtaining professional qualifications.

Employees can participate in individual English courses co-financed by Budimex. It is an offer addressed to people who actively use this language in their daily work. Employees have access to eTutor English learning platform offering lessons from A1 to C2. The platform uses unique solutions and functionalities such as: multimedia exercises, innovative system of revisions, artificial intelligence checking the pronunciation, algorithm verifying the correctness of written tasks, language games and embedded DIKI dictionary. Additionally, each participant using the platform may invite one relative to learn free of charge.

If blue-collar employees work away from their place of residence due to the requirements of a given contract, they can count on free accommodation. All blue-collar employees, regardless of whether they are seconded or they work in their place of residence, have a free lunch every day.

Budimex SA is the first company in the Ferrovial Group and one of the first companies in Poland that has been implementing the 'Human Resources Information System' (HRIS) created by Oracle. In 2020, this solution covered main processes of 'soft' HR, such as periodical evaluation, goal setting, training and development. Subsequently, the processes related to recruitment, development, succession planning and support for the area of wages and benefits will be also included. In this way, Budimex provides employees and supervisors with flexible self-service, compliant with the latest global practices. The HRIS covers nearly 6,000 employees in 5 companies of the Budimex Group. The works on the implementation of the system have been underway since the beginning of 2019. It is the largest project of this type conducted in the construction industry and one of the greatest implementations of cloud-based solutions in Poland. The HRIS will support the performance of HR activities through the employees' access the system via computers, tablets or telephones.

8.5.3. Diversity management

[GRI 405-2]

Issues related to diversity have been unequivocally regulated in corporate documents, which refer to all companies comprising the Budimex Group. These include the 'Principles of the Company's Responsibility Policy' of the Ferrovial Group, owner of Budimex. They oblige all employees of the Group to respect fundamental human rights, to promote equality and diversity and to take care of a work-life balance. The second group-wide document is the 'Principles for the Protection of Human Rights', concerning the avoidance of discrimination, promotion of equal opportunities and recognition of values in diversity at the workplace. The third document is the 'Code of Ethics', which implements the assumptions of the indicated policies and prevents discrimination in the field of employment.

Budimex implemented the 'Diversity Policy', which refers to equal treatment due to gender, age, disability, health, nationality, political beliefs, form, scope and basis of employment, as well as committed to creating an atmosphere and organisational culture that ensures respect for all forms of diversity. The provisions of the document also cover the area of recruitment, access to training and promotion, remuneration, work-life balance, protection against mobbing and unjustified dismissal. Budimex breaks barriers related to the health of employees, employing people with disabilities. In order to manage the 'Policy' efficiently, the so-called anti-discriminatory and anti-mobbing monitoring as well as a system of educational tools, training and workshops were introduced. The results of the 'Policy' are reported to the Management Board once a year.

The Budimex Group is also a signatory to the 'Diversity Charter' – an international initiative which constitutes a voluntary commitment of a given organisation to equal treatment of all employees, counteracting any discrimination at the workplace and taking measures to create conditions conducive to diversity. It expresses the organisation's readiness to engage all groups of its stakeholders in actions aimed at protection and promotion of diversity.

An important indicator in the scope of taking care of non-discrimination due to gender is the Gender Pay Gap Ratio:

%	2021
	Budimex Group
Senior management staff	45.1%
Managers	24.6%
Other employees	17.0%
All employees	16.3%

9. Social issues in the Budimex Group

9.1. Social impact of the Budimex Group

9.1.1. Impact on local communities

[GRI 413-1]

Budimex attaches great importance to cooperation with local communities, supporting them, and limiting the negative impact on residents of areas where the company conducts its activities.

The management of the Budimex Group's social impact area is defined in the 'Principles of the Company's Responsibility Policy'. This document includes e.g. provisions directly or indirectly related to social impact aspects, obliging the employees to ethical and responsible conduct in the scope of all activities, transparency and application of best corporate governance practices, as well as contributing to socio-economic development.

The second document functioning in this area is the 'Policy of Cooperation with Local Communities'. It indicates specific activities to be taken both before the commencement of construction works (conducting a dialogue with the local community on a given project in order to response to concerns related to the performance of the investment) and during the term of the contract (building relations with the social environment of the project).

The construction of road and railway infrastructure in the long-term perspective is one of the conditions for the social and economic development of the country and, as a result, improves the quality of life of a given community. However, at the stage of the construction work performance, it involves specific nuisances, especially for residents of areas directly adjacent to a given project (e.g. increased traffic and noise resulting from the transport of construction materials or machine operation). Each potential aspect of the environmental impact of the project is already analysed at the stage of issuing administrative decisions and residents' representatives take part in public consultation. The Budimex Group conducts also non-obligatory, additional public consultation in the course of designing e.g. bypass routes or road closures. It provides residents with feedback channels through a contact form available on www.budimex.pl and corporate social media profiles. In this way, it reduces the risk of phenomena that may negatively affect neighbours of the implemented undertakings or lead to delays and downtimes in works resulting from protests of residents, blocking the works by them or extension of administrative procedures.

Unfortunately, eliminating all obstacles and threats is not fully possible, which is why the Budimex Group tries to compensate local communities for the nuisance caused by its activities. It organises e.g. educational campaigns for children related to road traffic safety and first aid, as well as finances the purchase of equipment for fire brigades, hospitals, etc. It also helps residents to perform minor works, e.g. renovation of playgrounds.

[GRI 413-2]

In 2021, there were no conflicts with local communities of a long-term nature. Several incidents were reported over the period covered by the report. In each case, corrective actions were taken to eliminate identified inconveniences:

1. The Strachocina Gas Pipeline contract – the destruction and pollution of local access roads in the Komańcza Commune were reported. Regular cleaning and repair of roads were implemented.
2. DK12 in Chełm – incidents with some neighbours of the construction related to the necessity of relocating fences were reported. Residents had to move their fences from parts of plots of land which they occupied illegally. Some of residents did not want to perform activities in their scope. Works related to the transfer of fences were carried out by Budimex.
3. S14 in Łódź – the construction site covered a water well previously belonging to a house adjacent to the construction site. Budimex built a new well for the neighbours.

4. Construction of the Vistula Collector in Warsaw – protests of cyclists occurred after the introduction of bypass routes for the previous cycle paths. Incorrect marking of temporary paths was reported. The marking was supplemented.
5. Construction of the Wałbrzych ring road – residents of one of the neighbouring properties alarmed that the ground floor of their house is flooded due to a new road embankment during heavy rainfall. The situation was the result of an incorrect construction design. Budimex performed additional drainage at this place and requested the investor to change the design and to commission additional water drains.
6. Warsaw West Railway Station – insufficient marking of temporary crossings was reported by residents. Temporary crossings were additionally marked.

9.2. Budimex for society

The Budimex Group is actively involved in sponsorship and charity activities. The document regulating this area of activities is the 'Instruction for Approval of Sponsorship Projects, Patronages and Donations'.

In 2021, the Budimex Group was active in a number of sponsorship and charity programmes and activities. In 2021, we continued the implementation of socio-cultural and educational projects by supporting the following initiatives:

- The 'Diamond Explorers' scholarship programme, aimed at providing financial support to talented and effective groups of young people to give them the opportunity to participate in prestigious international and national scientific and technical contests, in particular in such fields as technology, engineering, design, industrial design, mathematics and management,
- The Demos Foundation, which helps young people in a difficult life situation. This organisation provides premises for educational, therapeutic and sports activities. It organises workshops for youth leaders and scholarship programmes.
- Support for education in regions combating poverty:
 - Purchase of school equipment, support for summer holidays and organisation of educational tournaments in the Warmia-Masuria, Masovian, Podlaskie and Łódź Provinces.
- Support for voluntary fire brigades in the Lublin, Podlaskie and Łódź regions.
- Support for the Kromka Chleba (Slice of Bread) Foundation: Financing for part of the construction of the first hospice in Tarnów, Małopolskie Province
- Great Orchestra of Christmas Charity: Auction of the Golden Heart

The sum of all donations in 2021 is: PLN 1 million 360 thousand 740, number of donations: 45. In addition, 31 social donations for employees in the amount of PLN 212 thousand were made.

10. About the report

10.1. Information on reporting

[GRI 2-3] [GRI 2-5] [GRI 2-4]

This Report on non-financial information of Budimex SA and the Budimex SA Capital Group for 2021 is the fourth such report of the Company. The report was prepared on the basis of an internally developed reporting model based on the Company's long-standing experience in sustainable development reporting. The Budimex SA Capital Group reports on the basis of GRI Standards indicators in the version updated in November 2021.

Pursuant to the requirements of the Polish Accounting Act of 29 September 1994, the Report on non-financial information of the Budimex SA parent entity and the Budimex SA Capital Group for 2021 includes information and consolidated non-financial data of the Budimex SA Capital Group and its parent entity, i.e. Budimex SA in accordance with the organisation's structure in 2021.

Significant topics discussed in this report were identified in the course of works on the CSR Strategy for 2021-2023.

The report on non-financial information of Budimex SA and the Budimex SA Capital Group for 2021 was not externally verified. Figures presented in the report come from the internal systems of Budimex SA and other companies from the Budimex SA Capital Group. 2021 was recognised as the base year of selected figures due to changes in the consolidation method. Non-financial data concerning the Capital Group come from Budimex SA, Mostostal Kraków SA and FBSerwis SA. The figures were subject to validation with the participation of internal experts.

10.2. Specification of the report

GRI Reference Table

Indicator category	Indicator	Description	Page
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	2-3	Reporting cycle and contact details	43
	2-4	Adjustments of information	43
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3. Management	2-9	Governance structure	8
	2-10	Appointment and selection of the highest governance body	7
	2-11	Chairperson of the highest governance body	8
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Indicator category	Indicator	Description	Page
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	205-2	Communication and training on anti-corruption procedures and policies	17
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GRI 206: Anti-competition behaviours	206-1	Legal steps taken against violations of the principles of free competition	16
GRI 301: Raw materials and materials	301-1	Consumption of raw materials by volume and weight	27
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GRI 303: Water and sewage			
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GRI 305: Emissions to the air	305-1	Direct GHG emissions (Scope 1)	26, 50
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1. Management approach	403-1	System of the OHS area management	31
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	403-7	Prevention and mitigation of impacts from the OHS area directly related to the nature of activities	31

Indicator category	Indicator	Description	Page
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	403-8	Persons performing work covered by the organization's OHS policy	31
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	404-1	Average number of training hours per employee	38
	404-2	Programmes supporting the improvement of the employee's development and skills	38
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GRI 405: Diversity and equal opportunities			
	405-2	Ratio of basic salary of women and men	41
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GRI 413: Local communities			
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Table of compliance with the Accounting Act

Requirement of the Accounting Act (AA)	Pages
Business model (Article 49b(2)(1))	AA_1
Key non-financial performance indicators (Article 49b(2)(2))	AA_2
Policies in non-financial areas and their results (Article 49b(2)(3))	AA_3
Due diligence procedures (Article 49b(2)(4))	AA_4
Significant non-financial risks and methods of their management (Article 49b(2)(5))	AA_5

Table of compliance with the TCFD Recommendations

TCFD recommendations	Pages
GOVERNANCE	
a) Describe the board's oversight of climate-related risk and opportunities	TCFD_1a
b) Describe management's role in assessing and managing climate-related risks and opportunities	TCFD_1b
STRATEGY	
a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.	TCFD_2a

TCFD recommendations	Pages
b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning	TCFD_2b
c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	not reported
RISK MANAGEMENT	
a. Describe the organization's processes for identifying and assessing climate-related risks.	TCFD_3a
b. Describe the organization's processes for managing climate-related risks.	TCFD_3b
c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	TCFD_3c
METRICS AND TARGETS	
a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	TCFD_4a
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	TCFD_4b
c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	not reported

11. Appendices

Full non-financial data for the Capital Group and for Budimex SA will be presented in the appendix.

11.1. Environmental data

Fuels and energy

[GRI 302-1] [GRI 302-3] [GRI 302-4]

- List of environmental data of the Capital Group and Budimex SA

Fuels and energy

	Budimex Group	
	Unit	2021
Fuels used in buildings and systems		
Light fuel oil	MWh	6,759.9
Coal dust	MWh	71,499.9
Network natural gas	MWh	1,774.5
LPG	MWh	5,923.4
Propane-butane	MWh	102.0
Propane gas	MWh	1,353.6
Total fuels used in buildings and systems	MWh	87,413.3
Fuels used in transport performed with own vehicles		
Petrol	MWh	13,998.6
Diesel oil	MWh	47,100.7
LPG	MWh	2,233.3
CNG	MWh	1,144.4
Total fuels used in transport performed with own vehicles	MWh	64,477.1
Fuels used for propulsion of the machine fleet		
Petrol	MWh	2,679.8

	Unit	Budimex Group
		2021
Diesel oil	MWh	85,613.8
LPG	MWh	0.0
Propane gas	MWh	2.9
Propane-butane	MWh	10.5
Total fuels used in transport performed with own vehicles	MWh	88,307.0
Energy generated		
Electricity generated from RES	MWh	62.1
Energy purchased		
Electrical energy	MWh	23,814.1
Heat energy	MWh	10,789.3
Total energy consumption	MWh	274,800.9

Energy intensity indicators

		Budimex Group		
	Unit	2020	2021	year-on-year change
<i>Energy from renewable sources energy per PLN 1 million of revenue</i>	<i>MWh/PLN 1 million</i>	0.6	0.9	55.9%
<i>Energy from non-renewable sources per PLN 1 million of revenue</i>	<i>MWh/PLN 1 million</i>	35.1	33.8	-3.5%
Energy from all sources per PLN 1 million of revenue	MWh/PLN 1 million	274890.4	274800.9	0.0%

Greenhouse gas emissions

[GRI 305-1] [GRI 305-2] [GRI 305-4] [GRI 305-5] [GRI 305-7] [TCFD]

Summary of greenhouse gas emissions in 2021

		Budimex SA	Budimex Group
	Unit	2021	2021
Scope 1			
Emissions resulting from fuel consumption in buildings and systems	Mg CO ₂ e	26,216.6	28,342.7
Emissions resulting from fuel consumption in transport	Mg CO ₂ e	8,361.9	16,672.8
Emissions resulting from fuel consumption in the machine fleet	Mg CO ₂ e	20,882.9	23,345.5
Total GHG Scope 1 emissions	Mg CO ₂ e	55,461.4	68,361.0
Scope 2 location-based			
Emissions resulting from the purchase of electricity	Mg CO ₂ e	15,041.6	21,648.2
Emissions resulting from the purchase of thermal energy	Mg CO ₂ e	3,861.4	3,883.8

		Budimex SA	Budimex Group
	Unit	2021	2021
Total GHG Scope 2 location-based emissions	Mg CO ₂ e	18,903.0	25,532.1
Scope 2 market-based			
Total GHG Scope 2 market-based emissions	Mg CO ₂ e	9,136.9	16,030.1
Scope 1+2 location-based			
Total GHG Scope 1+2 location-based emissions	Mg CO ₂ e	74,364.4	93,893.0
Scope 1+2 location-based emissions per PLN 1 million of revenue	Mg CO ₂ e/PLN 1 million	10.6	11.9
Scope 1+2 market-based			
Total GHG Scope 1+2 market-based emissions	Mg CO ₂ e	68,459.8	88,274.9
Scope 1+2 market-based emissions per PLN 1 million of revenue	Mg CO ₂ e/PLN 1 million	9.7	11.2

11.1. Detailed information about employment in 2021

[GRI 2-7] [GRI 401-1]

Employees employed under agreements for indefinite period of time in 2021

expressed in full-time equivalents	Budimex Group		
	K	M	K+M
Senior staff, including:	31.0	146.0	177.0
aged from 51	8.0	25.0	33.0
aged from 31 to 50	23.0	121.0	144.0
up to 30 years of age	0.0	0.0	0.0
Middle-level staff, including:	770.0	1,696.0	2,466.0
aged from 51	43.0	169.0	212.0
aged from 31 to 50	550.0	1,268.0	1,818.0
up to 30 years of age	177.0	259.0	436.0
Other employees, including:	329.0	1,574.0	1,903.0
aged from 51	27.0	603.0	630.0
aged from 31 to 50	181.0	796.0	977.0
up to 30 years of age	121.0	175.0	296.0
Employees at all levels of the structure	1,130.0	3,416.0	4,546.0
aged from 51	78.0	797.0	875.0
aged from 31 to 50	754.0	2,185.0	2,939.0
up to 30 years of age	298.0	434.0	732.0
Total for all levels of structure	1,130.0	3,416.0	4,546.0

Employees employed under agreements for definite period of time in 2021

expressed in full-time equivalents	Budimex Group		
	K	M	K+M
Senior staff, including:	3.0	16.0	19.0
aged from 51	1.0	4.0	5.0
aged from 31 to 50	2.0	12.0	14.0
up to 30 years of age	0.0	0.0	0.0
Middle-level staff, including:	65.0	268.0	333.0
aged from 51	5.0	36.0	41.0
aged from 31 to 50	36.0	170.0	206.0
up to 30 years of age	24.0	62.0	86.0
Other employees, including:	245.0	1,757.0	2,002.0
aged from 51	9.0	429.0	438.0
aged from 31 to 50	58.0	855.0	913.0
up to 30 years of age	178.0	473.0	651.0
Employees at all levels of the structure	313.0	2,041.0	2,354.0
aged from 51	15.0	469.0	484.0
aged from 31 to 50	96.0	1,037.0	1,133.0
up to 30 years of age	202.0	535.0	737.0
Total for all levels of structure	313.0	2,041.0	2,354.0

Employees employed under agreements for definite and indefinite period of time in 2021

expressed in full-time equivalents	Budimex Group		
	K	M	K+M
Senior staff, including:	34.0	162.0	196.0
aged from 51	9.0	29.0	38.0
aged from 31 to 50	25.0	133.0	158.0
up to 30 years of age	0.0	0.0	0.0
Middle-level staff, including:	835.0	1,964.0	2,799.0
aged from 51	48.0	205.0	253.0
aged from 31 to 50	586.0	1,438.0	2,024.0
up to 30 years of age	201.0	321.0	522.0
Other employees, including:	574.0	3,331.0	3,905.0
aged from 51	36.0	1,032.0	1,068.0
aged from 31 to 50	239.0	1,651.0	1,890.0
up to 30 years of age	299.0	648.0	947.0
Employees at all levels of the structure	1,443.0	5,457.0	6,900.0
aged from 51	93.0	1,266.0	1,359.0
aged from 31 to 50	850.0	3,222.0	4,072.0

expressed in full-time equivalents	Budimex Group		
	K	M	K+M
up to 30 years of age	500.0	969.0	1,469.0
Total for all levels of structure	1,443.0	5,457.0	6,900.0

Disabled employees in 2021

	Budimex Group		
	K	M	K+M
Number of disabled employees as at the end of the financial year	9.0	22.0	31.0
Amount of contributions paid to the State Fund for Rehabilitation of Disabled People (PFRON) (PLN)	8,960,413.0		

Employees newly employed during the year for an indefinite period of time in 2021

number of persons	Budimex Group		
	K	M	K+M
Senior staff, including:	1	13	14
aged from 51	0	2	2
aged from 31 to 50	1	10	11
up to 30 years of age	0	1	1
Middle-level staff, including:	10	25	35
aged from 51	2	6	8
aged from 31 to 50	8	16	24
up to 30 years of age	0	3	3
Other employees, including:	7	26	33
aged from 51	2	7	9
aged from 31 to 50	3	14	17
up to 30 years of age	2	5	7
Employees at all levels of the structure	18	64	82
aged from 51	4	15	19
aged from 31 to 50	12	40	52
up to 30 years of age	2	9	11
Total for all levels of structure	18	64	82

Employees newly employed during the year for a definite period of time in 2021

number of persons	Budimex Group		
	K	M	K+M
Senior staff, including:	2	8	10
aged from 51	1	1	2
aged from 31 to 50	1	7	8

number of persons	Budimex Group		
	K	M	K+M
up to 30 years of age	0	0	0
Middle-level staff, including:	69	244	313
aged from 51	18	21	39
aged from 31 to 50	36	150	186
up to 30 years of age	15	73	88
Other employees, including:	258	1,529	1,787
aged from 51	7	298	305
aged from 31 to 50	48	764	812
up to 30 years of age	203	467	670
Employees at all levels of the structure	329	1,781	2,110
aged from 51	26	320	346
aged from 31 to 50	85	921	1,006
up to 30 years of age	218	540	758
Total for all levels of structure	329	1,781	2,110

Employees employed for an indefinite period of time who left employment during the year in 2021

number of persons	Budimex Group		
	K	M	K+M
Senior staff, including:	6	16	22
aged from 51	2	6	8
aged from 31 to 50	4	10	14
up to 30 years of age	0	0	0
Middle-level staff, including:	94	297	391
aged from 51	10	45	55
aged from 31 to 50	70	226	296
up to 30 years of age	14	26	40
Other employees, including:	68	399	467
aged from 51	6	148	154
aged from 31 to 50	42	176	218
up to 30 years of age	20	75	95
Employees at all levels of the structure	168	712	880
aged from 51	18	199	217
aged from 31 to 50	116	412	528
up to 30 years of age	34	101	135
Total for all levels of structure	168	712	880

Employees employed for a definite period of time who left employment during the year in 2021

number of persons	Budimex Group		
	K	M	K+M
Senior staff, including:	0	4	4
aged from 51	0	1	1
aged from 31 to 50	0	3	3
up to 30 years of age	0	0	0
Middle-level staff, including:	27	107	134
aged from 51	3	21	24
aged from 31 to 50	15	63	78
up to 30 years of age	9	23	32
Other employees, including:	107	1,389	1,496
aged from 51	7	329	336
aged from 31 to 50	35	721	756
up to 30 years of age	65	339	404
Employees at all levels of the structure	134	1,500	1,634
aged from 51	10	351	361
aged from 31 to 50	50	787	837
up to 30 years of age	74	362	436
Total for all levels of structure	134	1,500	1,634

11.2. Information about maternity and paternity leaves:

[GRI 401-3]

Parental, maternity and child-care leaves

	Budimex Group								
	2020			2021			year-on-year change		
	K	M	K+M	K	M	K+M	K	M	K+M
Percentage of persons who left employment in a given year after less than 12 months from the end of parental, maternity or child-care leave	no data	no data	no data	14.4 %	0.0	14.2 %	no data	no data	no data
Number of persons who in a given year finished their parental, maternity or child-care leave	111	2	113	99	1	100	- 10.8 %	- 50.0 %	- 11.5 %
Number of persons who in a given year started their parental, maternity or child-care leave	98	1	99	94	0	94	-4.1%	- 100.0 %	-5.1%

Artur Popko
President of the Management Board

Jacek Daniewski
Member of the Management Board

Marcin Węglowski
Member of the Management Board

Artur Pielech
Member of the Management Board