

# **budimex**

**BUDIMEX SA**

**REPORT ON NON-FINANCIAL INFORMATION FOR 2018**

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**BUDIMEX IN A MINUTE - main data for 2018:**

- REVENUES: PLN 6,796.9 million
- EMPLOYMENT: 5,998 persons
- DONATIONS GRANTED: PLN 1.9 million
- NUMBER OF CONTRACTORS COOPERATING WITH BUDIMEX SA THROUGHOUT THE YEAR: 17.2 thousand
- WASTE MATERIAL RECOVERY: 760.93 tonnes of metal, over 273.89 tonnes of plastic, 73.30 tonnes of paper and cardboard
- COMMUNICATION WITH LOCAL COMMUNITIES: for 75% of investments, a residents' feedback system concerning finished construction works was implemented
- Every fourth kilometre of the express road in 2018 was built by Budimex

**1. ABOUT THE REPORT**

GRI: 102-45, 102-52

We hereby provide you with another report (hereinafter referred to as the report) on non-financial data of Budimex SA. It presents a full picture of our non-financial activity, in particular the adopted business model, risks and opportunities related to our business, what employer are we, how we take care of the environment and how we define our social responsibility. A clear layout of the report and the possibility of comparing the data presented herein with previous years provides our stakeholders and Budimex employees with exhaustive information, allowing for reliable assessment of our company's condition and its position on the market, as well as its impact on the environment. Reports on non-financial data are published on a yearly basis.

GRI: 102-10, 102-45, 102-51

The report covers the most important activities of Budimex in the period from 1 January to 31 December 2018. No significant changes occurred within the scope of reporting as compared to the previous year. Key areas still cover corporate governance and business strategy, responsibility for the safety of employees and subcontractors, minimisation of adverse environmental impact and the biodiversity management, as well as the company's contribution to the development of local communities. The previous report was published on 22 March 2018.

GRI: 102-54, 102-56

We are aware of the importance of clear and transparent communication with the environment, therefore we have developed the content of our report in accordance with the guidelines of the GRI Standards (Global Reporting Initiative) in the basic Core option, ISO 26000 standard, principles of the Global Compact, Polish and European legal regulations within the scope of reporting non-financial data, Directive 2014/95/EU concerning the disclosure of non-financial information and diversity, as well as guidelines of the IIRC (International Integrated Reporting Council) within the scope of integrated reporting. In 2017 our non-financial report was awarded in the competition "Social Reports" in the category "Award of the Stock Exchange" and in 2018 in the plebiscite of Company Bulletins in the category "Corporate One-Off Project".

**1.1 Importance of issues in the report**

GRI: 102-10, 102-43, 102-46

Budimex revises key issues to the report within the framework of an audit and repeats it cyclically, unless there occur events requiring its earlier performance (e.g. change in the business model). In 2012, for the first time we conducted an audit among key managers to define the significance of issues that should be included in the report. It covered the entire Budimex Group. The audit was based on the guidelines of the standard PN-ISO 26000 and concerned the analysis with indication of key areas of responsibility of the companies, including Budimex SA. One year later, the selected areas were re-verified in terms of environmental and financial aspects and then developed by the CSR Committee established by Budimex in 2013. Since then, each year they are verified by the Committee and, if necessary, modified. While assessing them, the Committee uses the results of generally available studies and analyses of the construction sector, as well as opinions of Budimex employees. It also uses the exchange of experience within the framework of meetings of the Steering Committee at the "Agreement for Safety in Construction", associating the largest companies in the construction industry.

In the process of defining important aspects of this report, the Committee has also considered an assessment of the last year's report on non-financial activity of Budimex SA made by the Ministry of Finance and the Association of Issuers, media reports and assessment of the company's position compared with the market.

List of key issues for the Budimex activity:

- employment conditions, occupational health and safety (OHS),
- influence on local environment and biodiversity,
- unethical conduct prevention,
- quality and safety of construction facilities,
- reasonable use of resources and environmental pollution.

The Management Board of Budimex SA decided that there was no need to repeat the significance test for the purposes of this report, since, as compared to the previous year, no important changes in this respect have occurred. Such issues such as accident rates, cooperation with subcontractors, biodiversity are still most often indicated by stakeholders. This results from the

unchangeable scope of business activity and environmental and social impact. The defined areas are consistent with the 2016-2020 Budimex CSR Strategy.

GRI: 102-43

On the basis of the conducted audit, there was developed the above list of key issues, indicating the level of significance of a given aspect to a given company in the Budimex Group, inside and outside the organisation. The above-mentioned significance test of non-financial issues in the view of stakeholders and in relation to particular companies in the Group has been applied for the purposes of this report. That survey allowed also to identify key non-financial risks.

GRI: 103-1

Significance of areas for Budimex SA:

Social or environmental aspect	Aspects of impact and indicators according to GRI	Budimex SA
Employment conditions, occupational health and safety (OHS)	<ul style="list-style-type: none"> <li>Workplace: occupational health and safety (103-1, 103-2, 103-3, 403-1, 403-2, 403-3, 403-4)</li> <li>Supplier assessment (414-1, 414-2)</li> <li>Complaint transfer procedure (103-3)</li> </ul>	high*
Impact on the local environment and biodiversity	<ul style="list-style-type: none"> <li>Biodiversity (304-1, 304-2, 303-3, 304-4)</li> <li>Environmental assessment of suppliers (308-1, 308-2)</li> <li>Complaint transfer procedure (103-3)</li> <li>Local community (413-1, 413-2)</li> </ul>	high*
Unethical conduct prevention	<ul style="list-style-type: none"> <li>Human rights: investments (412-3)</li> <li>Human rights: complaint transfer procedure (103-3)</li> <li>Anti-corruption (205-1, 205-3)</li> </ul>	high*
Quality and safety of constructed facilities	<ul style="list-style-type: none"> <li>Customer health and safety (416-1, 416-2)</li> </ul>	high*
Reasonable use of resources and environmental pollution	<ul style="list-style-type: none"> <li>Raw materials and materials (301-1, 301-2)</li> <li>Energy (302-1, 302-3)</li> <li>Emissions (305-1, 305-2, 305-4, 305-7)</li> <li>Sewage and waste (306-2, 306-3)</li> <li>Compliance with the regulations (307-1)</li> <li>Environmental assessment of suppliers (308-1, 308-2)</li> <li>Other (industry) (CRE2, CRE8)</li> </ul>	medium*

\*Aspects in case of which the extended responsibility may be discussed, i.e. taking into account the activities of suppliers and subcontractors in the supply chain.

## 1.2 Stakeholders

GRI: 102-40, 102-42, 102-44, 102-47

When developing long-term relationships with stakeholders, we follow our corporate values: responsibility, ethics, cooperation and ambition. The CSR Committee appointed by the Group watches over the assurance that communication with key stakeholder groups is kept in a transparent form, in accordance with the open dialogue principles. We choose communication tools according to the needs of the specific group. We participate in many meetings and business and industry conferences, we have corporate profiles in social media, we use artificial intelligence (chat bot), we implement social projects, we are a member of associations and organisations acting for the construction industry, we conduct surveys for suppliers. In communication, we care a lot about developing direct relations.

The stakeholder map is composed of 6 main groups affecting Budimex SA:

- 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 (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.

In 2018, there were no significant changes in dialogue with individual stakeholder groups and in use of communication channels. Therefore, while defining key areas, earlier results of research and discussions with stakeholders were used. In the opinion of the Company's Management Board, conducting a separate panel of stakeholders for the purposes of developing that report was not necessary. The significant aspects defined in the report are cyclically discussed in internal meetings of the CSR Committee.

## 2. ABOUT THE COMPANY

### 1.3 Market activity

GRI: 102-2

In the Budimex Group, Budimex SA is the parent company. Since 1995, it has been listed on the Warsaw Stock Exchange. In 2000, the Spanish Ferrovial Group - the world leader in the transport infrastructure and one of the largest construction companies in the world, hiring over 74,000 employees in 15 countries, acquired the majority of shares in Budimex, thus becoming its strategic investor. Since 2011, Budimex has been regularly included in the RESPECT Index – a stock-exchange index of companies operating in compliance with the highest corporate social responsibility standards. It includes only the companies distinguishing themselves with the highest management standards in terms of corporate governance, information governance, investor relations, as well as in the ecological, social and legal areas. Since 2017, Budimex has also been included in the London stock exchange index - FTSE4Good Emerging Index. It constitutes an extension of the FTSE4Good series of indices, aimed at the measurement of efficiency of companies in terms of their activities performed for the benefit of environment, social responsibility and corporate governance (ESG). The FTSE4Good series includes indices introduced by the London Stock Exchange and Financial Times in July 2001. They include countries from the area of Emerging Markets. Presentation of companies in these indices includes their negative (companies manufacturing arms and drugs or not compliant with the social equality rules are excluded) and positive selection (activities for the benefit of environmental protection, development of positive relationships with the environment, maintenance and development of human rights, anti-corruption).

GRI: 102-16

Budimex Mission: "Our mission is to perform construction projects, including housing estates, in a manner fit for the market leader, respecting the natural environment and ethical principles, care about the customer satisfaction and user comfort, which we shall achieve thanks to our professionalism and passion for construction, high efficiency and partner relations with suppliers and subcontractors." Our values are our sign-post in everyday business activity: ethics, cooperation, responsibility and ambition.

The business objectives of the entire Budimex Group, including Budimex SA, are as follows:

- Improvement of profitability through control and limitation of construction risks;
- Diversification of activities
- Concentration of the Group's potential on the domestic market;
- Development of activities on the railway and industrial construction market;
- Strong position on the domestic real estate development market;
- Maintenance of profitable export activity in Germany;
- Entry into the concession sector in Poland;
- Expansion into foreign markets.

GRI: 102-10, 102-45

Budimex SA is currently the biggest and the most dynamic listed company on the Polish construction market. It implements infrastructural, large volume and industrial projects as a general contractor, but also provides design, machinery rental and laboratory services. Its role is to ensure a quick flow of information between the Group's companies, support them in their business development and in effective management in order to build a strong market position of the entire Group.

Shareholder structure as of 30 June 2018:

- Valivala Holdings B.V. Amsterdam (Netherlands) - Company from the Ferrovial SA Group (Spain) - 55.1%
- Aviva OFE Aviva BZ WBK - 9.8%
- Nationale Nederlanden OFE - 5.3%
- Other shareholders - 29.8%

GRI: 102-13

### 1.4 Participation of Budimex in business organisations and social initiatives

- Business Centre Club
- Klub Polskich Laboratoriów Badawczych POLLAB (POLLAB - Polish Testing and Research Laboratories Club)
- Ogólnopolska Izba Gospodarcza Drogownictwa (National Chamber of Commerce of Road Construction)
- Polski Związek Pracodawców Budownictwa (Polish Association of Construction Employers)

- Izba Gospodarcza Transportu Lądowego (Land Transport Chamber of Commerce)
- Polskie Stowarzyszenie Wykonawców Nawierzchni Asfaltowych (Polish Asphalt Pavement Association)
- Polsko-Hiszpańska Izba Gospodarcza (Polish-Spanish Chamber of Commerce)
- Railway Business Forum
- Stowarzyszenie Emitentów Giełdowych (Polish Association of Issuers)
- Związek Mostowców RP (Polish Society of Bridge Engineers)
- Izba Gospodarcza Energetyki i Ochrony Środowiska (Polish Chamber of Power Industry and Environment Protection)
- Związek Pracodawców Branży Infrastruktury (Infrastructure Sector Employer's Association)
- Diversity Charter
- Pracodawcy RP (Polish Employers)
- Wschodni Klaster Budowlany (Eastern Construction Cluster)
- Polsko-Litewska Izba Handlowa (Polish and Lithuanian Chamber of Commerce)
- Centrum Rozwoju Transportu – Klaster Luxtorpeda 2.0 (Transport Development Centre – Luxtorpeda 2.0 Cluster)

### 3. CONTRIBUTION TO INFRASTRUCTURE DEVELOPMENT

GRI: 102-7, 103-1, 103-2, 103-3, 203-1

#### 1.5 Socio-economic development

Every day Budimex SA contributes to the socio-economic development of our country. Thousands of kilometres of roads and bridges that we build connect small villages with small towns, and the latter with large agglomerations. Development of infrastructure has a positive impact on almost every aspect of our lives, both social and economic. In turn, public utility projects: museums, philharmonic halls, universities, hospitals, hotels or housing estates not only increase the residents' quality of life, but also contribute to the development of culture, science and art. The range of industrial investments should be added to this, which thanks to the use of state-of-the-art technologies enables our country to thrive and consolidate its international position. However, we are aware of the impact of the construction process on the daily lives of residents in the vicinity of our investments and of the impact of our activities on the natural environment. Therefore, we make every effort to ensure that the construction process is as troubleless as possible and does not entail significance interference with nature. This effort is reflected in our mission and strategy, adopted policies and organisational culture that help us manage the impact of conducted activities on the surroundings and natural environment.

We also conduct non-standard projects, which go beyond our core business, such as the "Budimex Innovations" programme, to which we invite start-ups that offer solutions for our industry. We select the most interesting ideas and implement them together. Last year, out of 100 reported projects, we completed 3 prototypes and we are currently working on further projects. Another exceptional project for us, closing the 50th anniversary of Budimex celebrated last year, was constituted by the social programme initiated in 2018 "Change the World. 50 years of Budimex". Thanks to this initiative, the first forest elementary school "Puszczyc" was established in Poland near Białystok. This facility that meets the individual needs of children, cares for their development and education in the spirit of group work, assertiveness, implementation of one's own interests. The school provides them with space and conditions for undisturbed "free-range" activity, the ability to experiment and developing experiences in the field. We are convinced that by supporting such bottom-up initiatives, we contribute to the development and education of the generation of young people curious about the world.

GRI: 102-7, 102-8

Basic economic values characterising the Budimex SA were as follows:

	2017	2018
Net revenues from sales of products, services, goods and materials (million PLN)	5,824.9.	6,796.9.
Profit (million PLN)	449.8	321.6
Equity (million PLN)	606.6	734.2
Liabilities (million PLN)	4,119.1	3,771.1
Assets (million PLN)	4,853.3	4,377.6
Number of employees	5,369	5,998
Number of subcontractors' employees supervised by Budimex SA	no data*	no data*

\*\*Works are characterised with high seasonality of subcontractors' employment, and the specificity of consecutive stages of performed works results in subcontractor turnover and changing number of employees contracted by Budimex. Employee data, including subcontractors' employees, applicable on every day are registered directly on construction sites.

GRI: 102-4, 102-6, 102-7

In the geographical context, the sales structure has been stable for the last few years. The main markets for Budimex SA are Poland and Germany, and the dominant share of revenues comes from the Polish market.

#### 1.6 Infrastructural projects

In 2018 we systematically launched our investments, continued the implementation of those started in previous years, and we completed several projects that were particularly important for us:

- road investments, including express roads and bypasses:
  - In 2018, we signed 8 contracts for the construction of express roads and motorways with a total value of PLN 2.6 billion (with participation of consortium members), 99 km in length after summing up. In turn, as a part of implemented projects concerning express roads and motorways, in the last year we completed 27 agreements with the total value of PLN 8.7 billion (taking into account consortium members), constructing roads 370 km long, which represents 1/10 of the total length of express roads and motorways in Poland.
  - We handed over another section of the Olsztyn bypass (road S51), built in the "Design and build" system. The section covers more than 16 km of the route between Olsztyn East and Olsztyn South, and concerns, among others, construction of a bridge over the Łyna River, 138 m long, which was built on a difficult quicksand. Works on the next section 6 km long will end in June 2019 and the total value of the contract exceeds gross PLN 1 billion.
  - At the end of 2018, in the presence of the Minister of Infrastructure, we signed an agreement for the design and execution of a section 8 km long of the S19 express road Via Carpatia from the Kamień Junction to Sokółów Junction. This will be the last section that will connect Rzeszów with Lublin, which construction will be completed in April 2022. Net contract value comes to net PLN 233 million.
- railway investments:
  - In 2018, we signed two large railway contracts with the total value of PLN 0.6 billion (with participation of the consortium members). We completed 9 contracts with the total value of net PLN 3.2 billion (with participation of the consortium members). Our share in the total contract value for the rail concluded in the last year came to 17% with reference to agreements with the value below PLN 100 million and 13% for contracts exceeding net PLN 100 million. Thus, we become one of 3 companies with the largest number of railway construction contracts signed in 2018.
  - We began implementation of the LCS Idzikowice project, covering the reconstruction of 10 tracks, removal of two others, other reconstruction and extension. 43 railroad switches will be constructed to ensure that railway sets will safely change railway tracks. The overhead contact line will also be replaced and the station layout will be optimised, thus allowing for an increase in speed of freight trains to 120 km/h, and passenger trains – to 230 km/h. Works are to be completed in June 2020. The contract value comes to PLN 128 million.
- power plant construction:
  - We were continuing the construction of a new power unit in the Turów Power Plant belonging to the Polish Energy Group. Budimex is one of the contractors of this investment. The new unit will reach the power level of 450 MW and meet all environmental requirements of the BAT conclusions for large power plants. The project is to be completed in 2020. Its value is over net PLN 3.5 billion.
- other:
  - Construction of the Polish History Museum, which will be ready in 2021. Due to the valuable documents, the building will be equipped with, among others, partitions resistant to load, resulting e.g. from the demolition of the ground-based part.

#### 1.7 Innovative projects in Budimex SA

We also conduct non-standard projects, which go beyond our core business. In 2017, we established the Innovation Office, which efficiently developed its activities already in 2018.

Innovations in Budimex SA:

	2017	2018
R+D expenditure (with consideration of own expenditure and obtained subsidies, in PLN)	3,427,000	4,745,300
Number of employees involved in innovative projects	57	102

The Budimex company continuously works on the modernisation of the construction sector. That is why, within the framework of searching for ideas to improve the organisation inside and for methods to comprehensively act for the benefit of innovations, in January 2018 we commenced cooperation with start-ups in the programme "Budimex Innovations". To the programme, we invite start-ups and experienced companies, offering solutions for our industry. We select the most interesting ideas and implement them together. The project "Budimex Innovations" facilitates the establishment of new business relations oriented towards cooperation at innovative solutions in the construction sector. In addition, it enables us to support young entrepreneurs who already have the concept or ready prototype, while we allow for its business application, ensure mentoring, professional environment for tests and research, and even advisory in invention commercialisation. On the other hand, Budimex receives access to new technologies and knowledge. Last year, out of 101 submitted projects, we completed 6 tests of technologies. The most important information on the programme, partners and an application form for start-ups may be found on the dedicated Internet platform [www.budimex-innowacje.pl](http://www.budimex-innowacje.pl)

In the programme "Budimex Innovations", together with Optical Electronics, we tested smart light fixtures for offices that were equipped with innovative sensors allowing for the maximum use of natural lighting. The project's assumption was to confirm that the applied solution was energy-efficient. Installed modules allowed for autonomous operation of every fixture and smooth supplementation of emitted light to the selected and the most beneficial number of lux – depending on lighting conditions in a room and movement detection. For lighting without sensors, there was noted energy uptake at the level of 228.94 kWh and for lamps with sensors – only 66.89 kWh, thus allowing to save 70% of costs.

Value of projects with funding at the level of the European Commission and at the domestic level in which Budimex SA participates:

- SAFEWAY – GIS-based infrastructure management system for optimised response to extreme events of terrestrial transport networks – EUR 4,869,100
- Brik 2.1 Innovative solutions within the scope of human and environmental protection from noise caused by railway traffic – PLN 3,923,365
- Brik 2.2 Innovative solutions within the scope of human and building protection from vibrations caused by railway traffic – PLN 7,309,154

In 2018, we were one of 14 partners of the international consortium in the R&D project named SAFEWAY. The project consists in carrying out four real case studies in four countries, which are connected with five regional corridors of the TEN-T base network, conducting, among others, research on climate and weather phenomena and fires, seismic risk and high temperatures are conducted. The project provides for a five-fold improvement of mobility and reduction of costs of infrastructure maintenance by at least 20%. Its implementation is to contribute to the improvement of safety of the transport infrastructure, establish the basis to develop tools for predicting and mitigating effects of extreme events in all types of road disasters.

"BRİK - Research and Development in the Railway Infrastructure" is the programme of support for scientific research and development works in the area of railway infrastructure. The project is implemented together by NCBiR and PKP PLK S.A. The Consortium Budimex S.A., Environmental Protection Institute – National Research Institute, Warsaw University of Technology and Tines Investment Sp. z o.o. shall develop devices assembled in the railway track, limiting vibration and noise emission from railway traffic – rail and track suppressors and vibration-insulation mats. Budimex will develop devices in the railway track, on the test section and cooperation at the development of guidelines for their assembly, assessment of effectiveness and scope of application. The project results will affect the development of the area of environmental and human protection from noise, as well as buildings from vibrations. Developed devices and conducted research may affect the popularisation of applying these methods in Poland. Conducted numerical simulations and models of predicting effectiveness of such devices shall constitute the significant contribution for industry and science being the starting point for development of next solutions. Research conducted in laboratory and real conditions shall allow for the assessment of how to evaluate effectiveness of solutions and development of guidelines for their application in the railway infrastructure.

Another exceptional project for us in the category of social innovations, closing the 50th anniversary of our parent company - Budimex - celebrated last year, was constituted by the social programme initiated in 2018 "Change the World. 50 years of Budimex". Thanks to that initiative, the first forest elementary school "Puszczuk" in Poland was established near Białystok. This is the facility that meets the individual needs of children, cares for their development and education in the spirit of group work, assertiveness, implementation of one's own interests. The school provides them with space and conditions for undisturbed "free-range" activity, the ability to experiment and developing experiences in the field. We are convinced that by supporting such bottom-up initiatives, we contribute to the development and education of the generation of young people curious about the world.

### 1.8 50 moments of the Budimex life

In 2018, Budimex celebrated its 50th anniversary. It was a good opportunity to summarise its achievements and its involvement in the development of our country. The report distinguishes selected projects of particular importance - completed or being in progress.

#### **Ostróda Bypass**

This is an example of engineering capabilities to overcome extremely difficult geotechnical conditions in the infrastructural construction. The whole investment is also of great social importance, both for the local community and for all the people who travel along the S7 route - the new way shortens the travel time as well as relieves local roads. The scope of works included the construction of a section of the dual express carriageway together with the corresponding technical infrastructure and traffic safety devices. Construction of a dual carriageway section of the main road, together with the corresponding technical



infrastructure and traffic safety devices. Construction of utility and service roads; construction of junctions, construction of civil engineering structures, construction of environmental protection equipment, demolition works, construction of storm water drainage and drainage system with a system of reservoirs and flow-through tanks, reconstruction of technical infrastructure interfering with the designed project (low-, medium- and high-voltage electricity mains, local telecom and IT and optic fibre networks, gas network, water supply and sewerage network, reconstruction of irrigation devices) and construction of lighting.

### **Eiśląg Canal**

It is an amazing place, unique on the global scale, where ramps pull ships out of the water and move them on the tracks to other parts of the canal. Its construction was completed in the second half of the 19th century. In 2011-2012 we implemented the reconstruction of the Canal on navigable routes: Miłomłyn-Olsztyn-Stare Jabłonki, Miłomłyn-Itawa, Lake Ruda Woda-Lake Bartężek. As part of works, deepening works were performed on particular sections, as well as clearing the canal itself and strengthening of its banks.

### **Bridge in Kwidzyn**

A European-wide unique bridge in *the extradosed* category (the concept of a suspended and pre-stressed concrete beam bridge) is located in Kwidzyn. It is one of the longest bridge routes in Poland, 1.9 km long. For the first time in Poland, at its construction we applied the B80 concrete – it has one of the highest compressive strength. Thanks to the bridge construction transit from Kwidzyn to the Tricity was shortened by one hour.

### **Modernisation of the Warsaw University Library**

The library is located at the main campus of the University of Warsaw and was erected in 1894. In 2005, after the modernisation, the former library gained a new character. The works included modernisation, maintenance and adaptation works with mobile and audio-visual equipment. As a result, we have managed to combine tradition with modernity. Currently, the library building is applied to conduct classes for students.

### **Lublin Airport**

The airport in Lublin was established in 2011-2012 as the only facility of this type in the region, distinguished with a modern form of the terminal building referring to aerodynamic shapes of an aeroplane or a kite. The building covers the area of 11 thousand m<sup>2</sup>. Within the framework of works, there was also constructed a building of the Airport Fire Brigade and a technical building.

### **ICE Cracow**

It is a multi-purpose facility where the most important cultural and business events in Poland are organised. Its shape resembles waves of the Vistula River flowing nearby. It is composed of a conference and congress room, theatre room and concert hall. It is one of the state-of-the-art facilities of this type in Europe.

### **Ferry Stand in Świnoujście**

This is the most technologically advanced ferry station in Poland, allowing to provide the motorway on the way from Świnoujście to Trelleborg. As part of works, a new ferry stand was constructed, including e.g. a 242 metre-long wharf, steel vessel ramp, bed strengthening, ferry entrance platforms and an estacade to the car bridge. The project contributed to the improvement of the terminal's position, the largest in Poland and one of the most modern facilities within the Baltic Sea.

### **PKM – Pomeranian Metropolitan Railway**

It is the first two-track railway line in Poland, built from scratch since the 1970s, and the largest investment of the local government of the Pomeranian Voivodeship in its history. As part of the contract, from May 2013 to April 2015 we constructed a 17-kilometre section of the two-track railway line, 8 stops, 16 railway bridges and 5 road viaducts, as well as 4 footbridges and 15 culverts and passages under tracks. Almost all engineering structures on the PKM line are, as many as 41, were made as reinforced concrete structures. Commissioning of that line has changed the Tricity landscape and the way in which local residents and tourists move.

### **Basilica in Lichen**

It was erected in the years 1994-2004 and now it is the biggest church in Poland and one of the largest in the world. It is located on the premises of the Marian Sanctuary in Lichen and its square may hold up to 250 thousand persons. This five-nave basilica is based on the plan of the cross and is composed of the main part, the bell tower, the tower, and three grand porticoes. The Basilica is 139 m long, while its main aisle is 44 m high.

### **Wrocław Railway Station**

The railway station building in Wrocław is characterised with a monumental structure, spacious lobby and a roofed - unique on the European scale - platform hall, which may be found only on few railway stations in Poland. As part of works, modernisation works of the railway station and the comprehensive modernisation of the underground infrastructure were carried out, as well as solar thermal collectors were installed. The building was also adapted to the needs of disabled persons.

### **Lublin Stadium**

This is the largest sports arena of the Lublin region – a place where sports and artistic emotions reign. At the stadium, the opening game of Europe U 21 (small EURO 2017) Championships was played and, in the opinion of UEFA, it was the best stadium in that tournament. Football, rugby and American football games are being played out there. The facility has 15.5 thousand seats and the car park can in front of the stadium may hold approx. 1,000 cars and 20 buses. The Lublin stadium has the third category of UEFA. Its façade was designed in the form of longitudinal strips framing the building – relatively strongly perforated metal panels. Owing to this – after starting the illumination system – the building becomes a bright body constituting

the characteristic landmark. Due to the difficult soil conditions, the facility is founded on reinforced concrete piles. In order to obtain the required load-bearing capacity of the soil, the entire area managed must have been reinforced with columns.

**Iron Bridge**

This is an alternative name of the Extractive Waste Disposal Facility owned by KGHM Polska Miedź, which constitutes the site for the disposal of waste from the flotation of copper ore. Its construction had started over 40 years ago, but it was commissioned in 1997. The facility covers the area of 1,394 ha and holds 170 million cubic meters of water. It is crucial in the process of storing waste from mines and smelters. In its current state, the tank would filled up within the next 4 years. The tank extension was necessary and it was decided on its increase by the so-called Southern Headquarters, which will extend the period of its filling up by 2037. Works related to the extension of the Iron Bridge will end in 2021. The contract value comes to PLN 578 million.

**4. VALUE MODEL**

GRI: 102-15

The business model of the entire Budimex Group, including Budimex SA, presents results within six capitals: financial, human, organisational, intellectual, social and natural. No significant changes occurred in the reported period in the Budimex SA business model of.

Business model of Budimex SA and its impact on results in the financial, social and environmental area:

Financial capital	Human capital	Organisational capital	Intellectual capital	Social capital	Natural capital
The capital from which we finance our business – funds provided to us by shareholders, lenders and loaners, as well as funds that we earn while creating profits – care about multiplication of entrusted capital and reliability in communication of the actual status of the Budimex Group and its activity	A versatile team of experienced engineers and other specialists involved in creating permanent value – care about safety and health of persons involved in works performed, their development and future	The unique organisational structure still improves operational processes, which allow to act effectively and efficiently, while eliminating technical issues at the same time.	Intangible assets, i.e. expertise and solutions produced for years, results of research and development, as well as effects of laboratory tests	An ability to build relationships with the broadly-understood environment, including building long-term relationships with suppliers and subcontractors, being a good neighbour for local communities, cooperating with other players, including concentration on common problems for the industry (e.g. within the framework of the "Agreement for Safety in Construction")	Direct and indirect environmental impact Respect for used but limited natural resources and care for valuable natural areas in the vicinity of investments implemented by the Budimex Group – their protection and compensating for all environmental losses

The business model and its implementation involves business risks that have been defined for each of the six capitals. Risk management, depending on the area concerned, is strictly defined in the policies applicable in Budimex SA. The policies that are directly related to risk management include: "Integrated Management System Policy" and "Risk Management Control Policy".

Risks in Budimex SA:

Financial capital	Human capital	Organisational capital	Intellectual capital	Social capital	Natural capital
We finance activities, thanks to which the road and railway infrastructure, as well as public utility facilities are created. We purchase required resources and materials. We timely and reliably pay our liabilities to our business partners, and thus we provide them with financial liquidity	We ensure fair working conditions for our employees and external subcontractors. We support our staff in development. We engage future engineers in the Budimex Academy and our internship and apprenticeship programme.	We provide safe workplaces for our employees and contractors.	We develop optimal and effective solutions to ensure safety of our customers and natural environment.	By getting involved in the construction of public and infrastructural facilities, we contribute to the improvement of the social and economic life quality	We protect the most precious natural areas through adequate planning and protection of construction sites. We monitor our environmental impact and respond to any alarm signals.
Foreign exchange risk Price risk Credit risk Liquidity risk	Risk of increase in employment costs, risk of lack of a sufficient number of qualified employees	Risk of delay in timely performance or insufficient quality of the subcontractors' work  Risk of delay in obtaining relevant administrative decisions	Risk of change in the scope of works or technologies agreed in agreements	Risk of delay in obtaining relevant administrative decisions	Risk of delay in obtaining relevant administrative decisions  Risk of adverse weather or soil conditions

## 5. MANAGEMENT CULTURE

Accomplishment of the CSR Strategy objectives for the years 2016-2020:

Objectives	Indicator (KPI)	2018	
		Objective	Accomplishment
Provision of reliable financial and non-financial reporting	Social reporting	V	V

### 1.8 Management governance

GRI: 102-18

Budimex SA operates in compliance with top management standards and the implemented management systems are based on transparent decision-making processes. In the case of detection of irregularities, corrective measures are immediately taken. It notifies its stakeholders and entities interested in a given issue in a material and timely manner. In the case of drawing up any financial information, it also uses the software supporting the risk identification and management. In order to eliminate risks in the management area, Budimex SA uses a set of corporate governance rules: "Best Practice for Companies Listed on the WSE 2016", adopted by the Management Board in December 2015. This set describes, among others, the principles of conducting the information and communication policy with investors, internal systems and functions, relations with shareholders. Budimex SA applies all rules contained in the set, excluding:

- two-way real-time communication within which shareholders can express their opinions in the course of proceeding by the General Meeting, while staying somewhere else,
- exercising their voting rights personally or through proxies in the course of proceeding by the General Meeting, while staying somewhere else.

Application of these rules could lead to technical risks, followed by legal risks, within the scope of proper organisation of the General Meeting. However, while willing to ensure the best communication with the shareholders, proceedings of the General Meeting are broadcast live. As a result, everybody has an unlimited access to information disclosed by the Company. Every year Budimex SA provides information on the application of recommendations and principles included in the set of Best Practices. As a listed company, it takes care of appropriate communication with investors and analysts, maintaining a transparent and effective information policy.

## 1.9 Structure of the Management Board and the Supervisory Board

GRI: 102-18

In compliance with regulations applicable in Poland for listed companies, the Company authorities include: the Management Board, the Supervisory Board and the General Meeting of Shareholders. The role of the Management Board is primarily to manage the Company, set out its strategic objectives and to achieve them, as well as to ensure effectiveness and security. The Supervisory Board exercises permanent supervision over the Company's operations. It provides opinions on its strategy and verifies work of the Management Board within the scope of accomplishing established strategic objectives, as well as monitors the results. The Board has also the right to demand the performance of necessary expert opinions and tests within the scope of issues being the subject of its supervision and control. The General Meeting of Shareholders decides on the most important issues concerning the existence and activities of the Company. Members of the General Meeting of Shareholders may decide, among others, on the composition of the remaining authorities and on the use of the Company's profits.

In 2018, there were changes introduced in the Management Board of Budimex SA. Fernando Luis Pascual Larragoiti, who from 2014 to 18 December 2018 had performed the function of Vice-President of the Management Board, resigned from his role due to the acquisition of new obligations in the Ferrovial Group and joined the Supervisory Board of Budimex SA.

As of 31 December 2018, the Management Board of Budimex SA included:

- **Dariusz Jacek Blocher**, President of the Management Board, General Manager,
- **Jacek Daniewski**, Member of the Management Board, Director of the Legal and Organisational Department,
- **Radosław Górski**, Member of the Management Board, Director of the General Construction Department,
- **Cezary Mączka**, Member of the Management Board, Director of the HR Management Department,
- **Artur Popko**, Member of the Management Board, Director of the Infrastructural Construction Department,
- **Henryk Urbański**, Member of the Management Board of Budimex SA, President of the Management Board of Budimex Nieruchomości Sp. z o.o.,
- **Marcin Węglowski**, Member of the Management Board, Director of the Financial and Economic Department.

In 2018, the Supervisory Board of Budimex SA was also joined by Juan Ignacio Gaston Najarro, taking the function of Vice-Chairman. Fernando Luis Pascual Larragoiti and Juan Ignacio Gaston Najarro replaced Alejandro de la Joya Ruiz de Velasco and Ignacio Clopes Estela. At the end of 2018, the Supervisory Board of Budimex SA included:

- **Marek Michałowski**, Chairman of the Board,
- **Juan Ignacio Gaston Najarro**, Vice-Chairman of the Board,
- **Igor Adam Chalupec**, Secretary of the Board,
- **Marzenna Anna Weresa**, Member of the Board,
- **Javier Galindo Hernández**, Member of the Board,
- **Piotr Kamiński**, Member of the Board,
- **José Carlos Garrido-Lestache Rodriguez**, Member of the Board,
- **Janusz Dedo**, Member of the Board,
- **Fernando Luis Pascual Larragoiti**, Member of the Board.

Just like in previous years, in 2018, there were operating three committees within the Supervisory Board:

- **Audit Committee** (Marzenna Weresa – chairwoman, Javier Galindo Hernández, Janusz Dedo);
- **Investment Committee** (Piotr Kamiński – chairman, Fernando Luis Pascual Larragoiti, Javier Galindo Hernández);
- **Remuneration Committee** (Marek Michałowski – chairman, Igor Chalupec, Fernando Luis Pascual Larragoiti).

Members of the Management Board and the Supervisory Board participate in works of teams or committees that aim at the development, implementation and monitoring of the Budimex Group's impact on the natural environment and society (e.g. CSR Committee, Ethics Commission). In accordance with the resolution of the Management Board, in relation to the authorities of Budimex SA, a diversity policy is applied.

Budimex Group and Budimex SA are managed and supervised by competent persons that can provide a strong position on the market. Current CVs of Members of the Management Board and the Supervisory Board are available on the Budimex website.<sup>1</sup> According to the declarations submitted, Marzenna Anna Weresa, Piotr Kamiński and Janusz Dedo are independent members of the Supervisory Board.

<sup>1</sup> [www.budimex.pl](http://www.budimex.pl)

## 1.10 Management approach

GRI: 102-18, 102-42, 103-1, 103-2, 103-3

In Budimex SA, since May 2017 the "Integrated Management System Policy" has been applicable (earlier from May 2014 there was valid the "Management Policy" replaced by the Integrated Management System – IMS). Its provisions relate directly to the corporate social responsibility and liabilities of Budimex, as the biggest company and construction group in Poland. It contains the information that Budimex is aware of short- and long-term consequences of its activities in relation to the society and natural environment now and in the future. The IMS Policy applies to the observation of the sustainable development principles in conducted activities and the CSR strategy adopted by the Company. In the Policy, Budimex has committed itself to minimise the adverse impact, while providing top quality of services rendered to the customers. The Policy contains the provision that the following areas are key in the company's strategy:

- life and health protection,
- ethical conduct,
- environmental protection and energy output improvement,
- high quality of works and services,
- responsible use of information and prudent decision-making,
- integration of management systems.

At the same time, the President of the Management Board of Budimex SA has committed itself to establish goals and tasks resulting from the Policy and to make them a criterion of daily operation assessment. The approach to the CSR management contained in the Policy is based on the PN-ISO 26000:2012 standard. The Policy scope covers the areas indicated as key by the CSR Committee and constituting the basis for the CSR strategy and non-financial reporting. The CSR Committee is composed of representatives of the Management Board and chaired by the President of the Management Board. The CSR Committee is responsible for a comprehensive approach to social responsibility management and, if necessary, pays attention to possible risks, problems from the perspective of social and environmental responsibility. It recommends the directions of decisions to be made, which are consistent with the Integrated Management System Policy. The committee meets cyclically, at least four times a year - it delivers its opinions, approves and assesses the CSR actions. Current CSR Strategy for the years 2016-2020 was recommended by the Committee and then approved by the Management Board.

The Integrated Management System is composed of the following implemented norms and certificates:

- PN-ISO 26000: 2012 – management system of the company's social and environmental responsibility;
- ISO 9001:2008 – quality management system;
- ISO 14001:2004 – environmental management system;
- PN-N-18001:2004 and OHSAS 18000:2007 – occupational health and safety management system;
- ISO/IEC 27007:2013 – information security management system;
- AQAP 2011:2009 – quality management system;
- ISO 50001 – power management system;
- ISO 10001 – system for managing the codes of conduct connected with customer satisfaction;
- ISO 20000-1 – IT service quality management system;
- NATO Commercial and Government Entity Code (NCAGE2)<sup>2</sup> - granted to entities whose activity is related to the range of defence products or provision of defence services.

Implementation of the IMS Policy, similarly to other policies, procedures and processes, is subject to regular external audits in terms of economic, social and environmental aspects, due to which it is possible to continuously monitor their effectiveness. Annual internal audits are also carried out by so-called internal auditors – Budimex employees holding relevant competencies and experience. Each time internal audits are additionally confirmed by an external audit. In 2018, Budimex SA had no imposed non-financial sanctions for non-compliance with law and regulations. The following internal and external audits were carried out in the reported period:

- Internal audits of the Integrated Management System – 11;
- External audits of the Integrated Management System – 1;
- Internal audits of the Factory Production Control (FPC) – 24;
- External audits of the Factory Production Control – 12.

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<sup>2</sup> NCAGE - NATO Commercial and Government Entity.

## 1.11 CSR strategy

GRI: 102-42, 102-44

In 2018, we were implementing the "2016-2020 Corporate Social Responsibility Strategy for the Budimex Group", which applies to the Company. The CSR strategy is consistent with the business strategy and refers directly to it. Based on the assumptions of the CSR strategy and key responsibility areas of the Budimex Group, eight priorities of social responsibility were identified. They were assigned with specific activities and Key Performance Indicators (KPI), whose implementation is regularly monitored and enforced. Specific objectives and performance indicators were defined, which should be achieved during that four-year period, and mid-range targets, approved and regularly monitored by the CSR Committee.

The strategic approach to corporate social responsibility has been defined in the Company's Responsibility Policy, in which the Group undertakes to act for the development of society by improving the level of life of citizens and simultaneous creation of the value for shareholders, employees and other stakeholders. The Policy applies to the entire Group, to all companies. The Corporate Responsibility Principles included therein have been developed based on the Global Compact Guidelines. The CSR Committee and the Communications Department are responsible for their implementation.

The 2016-2020 CSR strategy of Budimex:

Strategy Priorities	Objectives	KPI 2020 to measure the level of objective accomplishment	Examples of activities
I. Improvement of the occupational health and safety standards	Objective: zero fatal accidents among the Company's employees and persons employed by subcontractors operating on the construction site	0 fatal accidents	Provision of collective and personal protective equipment
	Objective: lowering the incidence rate among the Budimex employees	% of equipped construction sites with full trained staff, i.e. ~100% of the last year's rate value	Improvement of the first aid system through gradual provision of contracts with first aid equipment
	Objective: lowering the accident severity index among the Budimex employees	<100% of the last year's index value	Permanent OHS training for employees
II. Reduction of the environmental impact	Objective: Effective use of energy and reduction of related emissions	2.8 – TOE (Tonnes of Oil Equivalent) / 1 million of sales revenue	Reduction of average fuel consumption in cars and related CO <sup>2</sup> emission
	Objective: Optimum use of raw materials and materials and minimisation of generated waste	N/A	Increased effectiveness of selective management of operating waste: e.g. filters, oils, clothing and working clothes
	Objective: Control of environmental risks and environmental damage and emergency prevention	0 – number of emergencies / 1 million revenue	Implementation and development of tools for estimating environmental risks "MARS" (Environmental Risk Analysis Module)
III. Being a neighbour and guest in local communities	Objective: zero environment-related conflicts that would contribute to the cessation of works	0 – number of environment-related conflicts	Social involvement of Budimex for the benefit of local communities in which Budimex is active
IV. Elimination of the risk of unethical conduct	Objective: zero unverified cases of potential unethical conduct	0 – number of unverified ethical incidents	Promotion of the Code of Ethics among subcontractors' employees
V. Development of unique competencies and friendly workplace atmosphere	Objective: maximisation of the personnel satisfaction index	≥ 100% of the last research value	Provision of development programmes, including managerial programmes
VI. Top quality assurance	Objective: maximisation of the Quality Conformance (QC) index	≥ 100% of the last year's value	Reduction of the warranty repair costs
VII. Support of the culture of innovations	Objective: increase in innovativeness	≥ 100% of the last year's value	Modernisation of the R&D unit
VIII. Provision of surveillance mechanisms for social and environmental results of activities	Objective: provision of reliable financial and non-financial reporting	Implemented – annual financial and non-financial data reporting	Regular meetings of the CSR Committee and the Supervisory Board

The CSR strategy is supervised by the CSR Committee composed of representatives of the Company's Management Board and representatives of organisational units responsible for various aspects of business activity.

## 6. MANAGEMENT OF RESPONSIBILITY IN THE SUPPLY CHAIN

GRI: 102-9

### 1.12 Value model vs supply chain

Budimex SA, as the general contractor, operates based on the network of subcontractors. There is the principle of partnership and long-term relationships applicable to Budimex and subcontractors, and in the case of changing market conditions, jointly developed solutions are implemented to optimise resources and the order portfolio.

Budimex SA is responsible for subcontractors' actions on the implemented contracts. Therefore, building long-term relationships with them, based on mutual trust, is treated as an investment in the future. Good cooperation with subcontractors is also a guarantee of efficient and timely implementation of projects by the company. While concluding a cooperation contract, each contractor of Budimex SA must comply with:

- Requirements related to occupational health and safety;
- Environmental protection requirements;
- "Set of Rules for Contractors";

"Set of Rules for Contractors" is the so-called ethical clause that sets out the Budimex expectations for its sub-suppliers within the scope of:

- compliance with the law,
- ethics in business,
- respect for human rights,
- relations with and between employees,
- liabilities to third parties and the market,
- respect for the natural environment.

The Company's subcontractors are verified in terms of their compliance with the standards of the entire Group, particularly within the scope of quality and safety of works, as well as ethics. Their activities are constantly monitored throughout the cooperation, and upon its completion the summative evaluation is carried out. Because of risks such as low quality of works or delays, subcontractors are audited as well.

Budimex SA cooperates also with suppliers of basic materials and raw materials, as well as specialised services, the main of which include the producers of:

- road bitumen (Orlen Asphalt, Lotos Asphalt),
- steel reinforcement, reinforcing bars and metallurgical products (Arcelor Mittal Distribution Solutions Polska, Konsorcjum Stali SA, ThyssenKrupp Energostal SA, Vimex SA),
- aggregates and concrete (Cemex Polska Sp. z o.o., Dyckerhoff Polska Sp. z o.o., Lafarge Cement SA, KGHM Metraco SA, Kopalnie Dolomitu w Sandomierzu SA, Nordkalk Sp. z o.o., PGP Bazalt SA, ZPK Rupińscy Sp. j.),
- road and bridge barriers (Stalprodukt SA),
- fuels – heating oil, heavy oil (Lotos Paliwa Sp. z o.o., PKN Orlen SA, Lausitz Energie Bergbau AG),
- culvert elements (Viacon Polska Sp. z o.o.),
- concrete products – reservoirs, retaining walls (PGP Bazalt SA),
- electrical energy (Energa Obrót SA, Tauron Sprzedaż Sp. z o.o.),
- geosynthetic materials (Biuro Inżynierii Drogowej Drotest sp.j.).

### 1.13 Risk management in the supply chain

GRI: 308-1,308-2, 412-3, 414-1

The Budimex SA supply chain covers thousands of suppliers and contractors, with whom we cooperate every day. As a general contractor, we are responsible for the actions undertaken by them, supplied materials and working conditions. The main risks identified in the supply chain include:

- occupational health and safety,
- terms and conditions of employment,
- environmental protection,
- timeliness and quality of works performed,
- finance.

Financial risks include primarily credit risks and despite the introduction of restrictive procedures for control of receivables, we still consider the investor-related default risk, but also delays on their side in the process of acceptance and invoicing of performed works. Delays in timely payment of receivables may negatively affect the Company's financial results. Detailed information on the financial risk is presented in the report on activities for the year ended on 31 December 2018. Some of the identified risks may occur already during the performance of a given contract and the method of their management shall determine whether works will be performed as planned. Such risks include, for example:

- increase in prices of construction materials, petroleum materials and energy,
- increase in prices of subcontractors' services,
- increase in employees' employment costs,
- staff availability and maintenance,
- delays in timely performance of or insufficient quality of the subcontractors' works.

In 2018, data protection related to the GDPR entry into force was important. We also secure this area in our relations with suppliers within the framework of the Security Policy for the Suppliers' Information Systems valid in Budimex SA. Its objective is to ensure the security of information made available to suppliers and to set standards and principles that should be followed by the Budimex Group partners in the processing of important information. Following the Policy, the Information Security Management System was implemented, certified for compliance with the international standard ISO/IEC 27001:2013, which minimises the operational risk and meets the needs of customers, shareholders and employees of the Group. Under this system, special emphasis is placed on personal data protection.

In order to monitor those risks in 2018, audits listed in the table below were carried out at the Budimex subcontractors. Every new contractor, at the first stage of cooperation, is subject to an initial assessment based on the qualification survey. The survey consists of a supplier's declaration of compliance with applicable regulations within the scope of labour law, OHS and environmental protection, etc. Approval of this declaration conditions the supplier's initial qualification<sup>3</sup>. Eventually, all key suppliers and subcontractors (100%) are subject to initial assessment (qualification). In the case of ending cooperation with a given supplier, we conduct the final assessment, where we consider such issues as quality, timeliness, actual technical capacity, OHS, environmental issues and issues related to human rights, including employees' rights. Assessment is conducted by contract managers, who must indicate any irregularities or events that may constitute a threat, or actions inconsistent with the principles applicable to sub-suppliers in the entire Budimex Group. Results of qualification surveys and final assessments are gathered in the Central Database. Internal auditors have access to these data and use them to assess sub-suppliers. Auditors have also access to offers of suppliers, based on which the contract has been signed. When analysing the offer, the contract history and the result of the final assessment, they may compare things to which the given supplier undertook at the offer level and how the cooperation actually processed and ended. For our part, after the end of a given contract, we send the Satisfaction Survey to an investor on the basis of which our work is assessed. Results and conclusions with assessment are then reviewed by management during annual management reviews.

Based on the initial qualification and final assessments, subcontractors are divided as follows:

- recommended (top ratings),
- qualified (positive ratings, but slightly lower than in the case of recommended suppliers),
- rejected (low ratings, but qualification is conditional, i.e. cooperation can be started if e.g. a business partner introduces corrective actions),
- disqualified (cooperation with a given partner is impossible, e.g. due to its financial situation or previous gross breach of cooperation rules, e.g. in the area of ethics or environmental protection, i.e. a bribery attempt or causing significant environmental damage).

Budimex seeks that significant agreements with key contractors, often despite the Company's lower negotiating power, are supplemented with an ethical appendix.

Results of initial (qualifying surveys) and final assessments at sub-suppliers in 2018:

Verification scope	2016	2017	2018
<b>Framework agreements</b>			
Material investment agreements defined as framework agreements BZC	16	19	30
Material investment agreements containing ethical clauses Total number of agreements with these clauses and % of significant framework agreements	11 (69%)	11 (58%)	24 (80%)
Percentage of all agreements with ethical clauses among all framework agreements	50%	72%	73%
<b>Qualifying surveys and final assessments</b>			
Number of qualifying surveys	1,191	1,019	1,163

<sup>3</sup> The initial qualification is the first stage of assessment of suppliers. It takes place on the basis of the initial survey. After analysing its results, a given entity is either recommended for further cooperation with Budimex SA, or not.



Number of conducted final assessments	4,583	3,068	5,329
Number of irregularities identified	184	153	361
<b>Number of irregularities identified</b>			
Meeting deadlines	61	45	121
Product quality	24	21	47
Technical capacity	50	41	78
Compliance with price terms	11	10	31
OHS	26	23	49
Environmental protection	12	12	35

In comparison with the previous years, the number of identified irregularities increased, as in 2018 75% more assessments were conducted compared to 2017, which statistically affected the larger number of identified irregularities. The largest increase in the number of negative assessments concerned the meeting of deadlines. It could be associated with a too large number of works carried out at the same time in Poland and, consequently, an increased demand for materials and services, not followed by supply.

## 7. ETHICS AND HONESTY OF OPERATIONS

Accomplishment of the strategy objectives for the years 2016-2020:

Objectives	Indicator (KPI)	2018	
		Objective	Accomplishment
Zero unverified cases of potential unethical conduct	Number of unverified cases of potential unethical conduct	0	V

GRI: 102-11, 103-1, 103-2, 103-3

We are aware of risks such as giving or accepting material benefits that may occur during the performance of contracts with the value of several dozen or even several hundred million zlotys, where many parties are involved. This threat increases when competition in the industry is high. As part of preventive actions, we regularly update the risk map and monitor them very closely. Moreover, the Budimex Group, including Budimex SA, has implemented: Anti-Corruption Policy and Anti-Monopoly Policy. They define the list of permitted and prohibited behaviours, as well as procedures for their suspected occurrence. The Integrated Management System introduces the procedure of the "Protection of the Budimex Group's Interests (05-08), which defines a set of rules for dealing with suspected acts or omissions having the nature of abuse or corruption. The procedure includes an instruction titled "Rules of Procedure in the Case of the Proposal of Acceptance of the Financial Advantage and in the Case of Attempted Staff Intimidation" (05-08-02), which specifies the procedures when an employee receives a proposal to accept the financial advantage in exchange for indicated actions or their omission and attempted intimidation. The instruction includes also the "Rules of Participation in Sponsored Events and Other Activities of the Nature of the Conflict of Interest" (05-08-03), regulating the rules of participation in sponsored events and indicating situations that have characteristics of the conflict of interest, accepting or giving gifts.

### 1.14 Monitoring of threats

GRI: 103-1, 103-2, 103-3, 205-1, 205-2

The key risks associated with corruption or bribery are primarily related to the business, legal, financial and reputation areas. Monitoring of the compliance with rules and controls are conducted by the Office of Internal Control, and supervised by the General Manager. The Office of Internal Control is responsible for the identification and analysis of risks in Budimex SA, prevention of factors causing them. At the same time, it examines the activity of particular organisational units. In the case of completed investments, the Office analyses the contract performance process, use of owned resources, draws up reports and issues instructions to take corrective actions. According to the implemented Procedure IO-01-01-03 "Final Contract Settlement", after the completion of each construction project, the Office of Internal Control personnel inspects final settlements regarding construction materials purchased and used.

All key projects are analysed with regard to the corruption risk. The special form is filled by 100% of the controlled entities. In turn, inspections on contracts of lower value are ad hoc and random. A post-inspection report does not disclose tools used for their monitoring, considering them confidential. Disclosure of such information, in particular regarding the method of analyses, according to Budimex, could contribute to the reduction of their effectiveness and increased risk of unethical conduct. Risk monitoring is conducted in monthly, two weeks' or, if necessary, weekly cycles.

The Office of Internal Control may also carry out additional inspections. The role of this Office is also to take preventive actions and build the Budimex employees' awareness with regard to the risks and activities that may lead to them. To this end, the Office of Internal Control has also prepared the guide for the Contract Director/Manager, describing production processes allowing for safe and correct contract performance in Budimex SA based on applicable procedures and instructions. In addition, all Budimex employees and suppliers must familiarise themselves with the anti-corruption policy and procedures. All employees - newly hired and with many years of experience in the Budimex Group, become familiar with applicable anti-corruption procedures during regular training sessions.

1.15 *Ethics management*

GRI: 102-16, 103-1, 103-2, 103-3, 205-2

The Code of Ethics has been valid in Budimex SA since 2010. The Code specifies the principles that prevent any form of unethical behaviour, including corruption and bribery and any form of discrimination. The Code of Ethics applies to all employees and contractors of Budimex SA.

Rules of the Budimex Group's Code of Ethics:

- I. Human rights and labour standards:
  1. Support of and compliance with human rights adopted by the international community.
  2. Elimination of all cases of violating human rights by the company.
  3. Respect for freedom of association.
  4. Elimination of any forms of forced labour.
  5. Elimination of child labour.
  6. Effective anti-discrimination measures in the area of employment.
- II. Natural environment:
  7. Preventive approach to natural environment.
  8. Development of initiatives designed to the promotion of environmental responsibility approaches.
  9. Application and dissemination of eco-friendly technologies.
- III. Fighting against corruption:
  10. Fighting against corruption in all forms, including extortions and bribes.

Compliance with the Code of Ethics provisions and monitoring of compliance of the standards of professional ethics with the rules of the Code of Ethics constitutes an obligation of the Ethics Committee, which was appointed by the President of the Management Board of Budimex SA, including:

- Member of the Management Board, Director of the HR Management Department;
- Member of the Management Board, Director of the Legal and Organisational Department;
- Director of the Office of Internal Control.

The Ethics Committee prepares a report on its activities on an annual basis, which is then submitted to the Management Board and to the Audit Committee of the Supervisory Board.

The Code of Ethics operates in parallel with the Compliance Policy, which is effective as of 31 October 2017 in the entire Budimex Group. Earlier, elements of this policy were in force in companies, but since then they have acquired a formal dimension. 2018 was the first full period of its term. The Code of Ethics supports the implementation, management and monitoring of the Compliance Policy, and is designed to: "provision of compliance of the organisation's activities with the applicable law, standards and internal regulations, aimed at the prevention of damage of the organisation's image and reputation, minimisation of risks of financial losses related to the organisation's activities contrary to the law or internal regulations, as well as reduction of the risk of the organisation's exposure to civil, administrative or criminal liability". It also states that the respect for the law and ethics in business is one of key principles of Budimex SA. The main principles of the Compliance Policy include:

- Respect for the law;
- Ethics and honesty of operations;
- Transparency of activities of the Group's companies;
- Zero tolerance for activities contrary to the law or the Compliance System.

Operation of the Compliance Policy concerns the compliance with law and articles of association of the Budimex Group, the Code of Ethics, regulations, policies, procedures, instructions in force in companies, particularly those related to the minimisation of the risk of participation of the Group's employees in any activity raising suspicion of corruption or paid protection. In 2018, we conducted 9 training courses on anti-corruption policies and procedures. All employees (100%) familiarised themselves with anti-corruption policies and procedures. Nearly 250 persons (90%) holding managerial positions and having a function of superiors completed anti-corruption training. All (100%) members of management bodies familiarised themselves with anti-corruption policies and procedures and completed anti-corruption training. All (100%) the suppliers familiarised themselves with the Budimex Group's anti-corruption policy and regulations (contractual provisions).

1.16 *Respect for human rights*

GRI: 412-3

In Budimex SA, similarly to the entire Group, the Human Rights Protection Policy applies. It is in line with the Code of Ethics and the Compliance Policy and aims at raising awareness of human rights in the entire Group, monitoring and solving problems in

this area. Employees at all levels, customers, suppliers and contractors cooperating with the Group companies must observe the Policy.

The main risk categories within this scope are:

- Reputation - unverified information on the given investment/contractor;
- Financial - lack of stability of costs of the given investment;
- Liability - payment of claims, interest and legal fees;
- Deterioration of relationships with current business partners;
- Internal conflict between the employees and the employer.

The Policy commands the employer to respect the rights of employees expressed in the Declaration on Fundamental Principles and Rights at Work adopted by the International Labour Organisation. It obligates to act without discrimination, while promoting equal opportunities and valuing diversity, as well as complying with the prohibition of child labour, forced labour, freedom of association and the right to collective bargaining. Also, any forms of discrimination are forbidden against customers and society. The Ethics Commission is responsible for compliance with human rights. In 2018, no cases of breaking human rights in Budimex SA were identified.

Actions taken with respect to human right protection and promotion include:

- cooperation with government administration and non-governmental organisations within this scope
- implementation of social projects,
- implementation of appropriate procedures,
- rejection of any type of discrimination and creating an atmosphere of mutual respect.

Human rights are promoted at each stage of the supply chain. The obligation to respect human rights applies also to suppliers and contractors. Appropriate procedures for evaluation and selection of suppliers have been established for this purpose. Human rights are included in the Contractor's Code, which must be signed by them prior to the commencement of cooperation with the Budimex Group's companies. Their compliance is monitored during audits. In 2018, in terms of compliance with human rights, none of the detected irregularities from among 1,163 analysed qualifying surveys of suppliers and 5,329 final assessments applied to human rights violations.

### 1.17 Diversity management

GRI: 406-1

Budimex SA has implemented the Diversity Policy with regard to equal treatment with regard to, among others, gender, age, disability, health status, nationality, political beliefs, form, scope and basis of employment. Under the Policy, Budimex has undertaken to create an organisational atmosphere and culture ensuring respect for any form of diversity. The Diversity Policy concerns also recruitment, access to training and promotions, remuneration, combining professional duties with private life, protection against mobbing and an ungrounded dismissal.<sup>4</sup> In Budimex, we also break the barriers connected with the health condition of employees by hiring disabled persons. In order to manage the Policy efficiently, the so-called anti-discrimination and anti-mobbing monitoring, as well as a system of educational tools, training courses and workshops have been implemented. The results of carrying out this Policy are reported to the Management Board every year. In 2018, there were no confirmed cases of discrimination.

#### 1.17.1 Diversity Charter

As part of the diversity activities, in November 2016 the Budimex Group signed the Diversity Charter. All companies within the Group undertook to adhere to it, at all levels of organisation. The Diversity Charter is an international initiative joined by companies undertaking to treat all their employees equally and to prevent any discrimination at work on the grounds of sex, age, nationality, disability, sexual orientation or religion.

### 1.18 Reporting violations

GRI: 103-1, 103-2, 103-3

Any information on the Code of Ethics and Compliance Policy is available on Budinet – intranet of Budimex SA. Every new employee of the Company, as part of the introduction, becomes acquainted with the Code of Ethics, and since 2016 ethics has become a part of regular personnel training.

All employees have access to information and tools enabling them to report violations of the Code of Ethics or Compliance Policy. Reports can be made in person or anonymously to the Members of the Ethics Committee, Compliance Coordinator, his Deputy or Members of the Compliance Committee, in writing to the address of Budimex, ul. Stawki 40, 01-040 Warsaw, by e-mail to the address [etyka@budimex.pl](mailto:etyka@budimex.pl) or [compliance@budimex.pl](mailto:compliance@budimex.pl). Only authorised Members of the Ethics Committee or the Compliance Committee have access to both e-mail accounts. If a reporting persons expresses such a will, it remains anonymous. Everybody is assured of no business consequences connected with the fact of report. Employees have also the Compliance emergency telephone + 48 789 404.104. There occur also reports made beyond this system occur, e.g. in the form

<sup>4</sup> Also the Budimex Operating Regulations guarantee respect for human rights and prevents discrimination in employment.

of letters sent directly to the President of the Management Board or members of the Management Board of Budimex SA. In such a case, they are transferred directly to the persons responsible for their consideration.

GRI: 103-3, 205-3

All reports are investigated with the confidentiality standards preserved, and may be the basis for development of improvement and corrective actions. Every case of breach is recorded in writing together with recommendations or guidelines for further actions to be taken by a given organisational unit concerned by the report. In cooperation with the Compliance Committee and/or the Office of Internal Control, the Compliance Coordinator analyses every report in detail. It is also obliged to provide the Management Board and the Supervisory Board notification with regular reports containing information on actions 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. In 2018, 12 reports on failure to comply with the provisions of the Code of Ethics and/or Compliance Policy in the Budimex Group were made, of which five concerned employee matters (including one subcontractor's employee), while four reports pertained to subcontractors and one – a conflict of interest. There were recorded also two reports that might be regarded as an attempt of corruption probe. In 10 cases the reported infringements were not confirmed. None of those events resulted in financial losses in Budimex SA<sup>5</sup>.

1.19 *Compliance with law*

GRI: 206-1, 307-1, 406-1, 407-1, 408-1, 409-1, 415-1, 419-1

In 2018, just like in previous years, there were no identified cases of forced labour or child labour in Budimex SA or at subcontractors. There were also no signs of discrimination or actions which might pose a threat to the right of association and the right of class action. The Budimex Company did not finance any activities of political parties. There were no cases of violations of the free competition rules or monopolistic practices in the reported period. At the same time, no lawsuits were brought or penalties imposed on any company, including those related to the violation of human rights or the environmental protection law.

**8. CONDITIONS, OCCUPATIONAL HEALTH AND SAFETY (OHS)**

Accomplishment of the strategy objectives for the years 2016-2020:

Objectives	Indicator (KPI)	2018	
		Objective	Accomplishment
Zero fatal accidents among the company's employees and employees of subcontractors operating on the construction site.	number of fatal accidents	0	X (3 fatal accidents on the part of subcontractors occurred)
Lowering the value of the accident frequency index among the Budimex employees.	level of the accident frequency index among the Budimex employees	<100% of the last year's index value	V
Lowering the value of the accident severity index among the Budimex employees	level of the accident frequency index among the Budimex employees	<100% of the last year's index value	V

GRI: 103-1, 103-2, 103-3, 403-1, CRE6

In Budimex, the concern about safety of employees and persons carrying out works on construction sites is the matter of ethics, moral and social responsibility. It is in our interest to take any actions to avoid accidents and reduce health risks. The basis for the Budimex actions is the belief that safety is a common good and we are responsible not only for ourselves, but also for colleagues. Therefore, actions in the field of safety improvement on construction sites are participated by all co-workers of contractors, consortium members, suppliers and individual persons involved in the project implementation.

Compliance with the OHS law is essential. We have valid certified OHS systems - OHSAS 18001 and PN-N-18001. In 2018, no significant changes occurred in that respect. "Soft" actions are worth of being continuously improved – raising awareness about hazards, education about good habits and attitudes, as they eliminate the risk of accidents.

In Budimex SA we have been applying the Occupational Health and Safety Policy for years - from the business perspective it is one of the key policies. Its goal is to ensure safe processes, workplaces free from hazards, compliance with all legal regulations. Additionally, within the framework of the Policy, good practices are implemented in the Group to build a safety culture. The implemented tools allow for the acquisition of knowledge about potential threats and for the accurate identification of risks.

In accordance with the Policy provisions in Budimex SA and in the entire Budimex Group, the following activities are implemented:

- Legal compliance;
- Risk assessment and planning;
- Effective and coherent communication;
- Training and involvement in educational activities;

<sup>5</sup> The list of all reports with descriptions is available in the Report on non-financial information of the Budimex Group for 2018.

- Allocation of resources within the framework of safety management systems;
- Occupational safety in the supply chain, where OHS is a criterion for choosing partners and sub-suppliers;
- Measurement and monitoring of activities;
- Continuous improvement and implementation of innovations within this scope.

In Budimex SA, OHS committees operate with participation of representatives of employees and the employer, thanks to which they represent all employees (100%). The committee's task is to conduct OHS inspections, which are held every week on all contracts. All the information from inspections and recommendations are stored in one place, providing with easy access and monitoring, if necessary.

#### 1.20 OHS training and prevention

In 2018, we proactively worked on safety improvement. We also used new technologies to report accidents.

In the entire Budimex Group, the Health and Safety Protection Plan (BIOZ Plan) standard is valid. It describes rules of safe conduct when employees rotate among construction sites. Every employee in the contract, regardless of being employed in Budimex SA or by a subcontractor cooperating with us, must undergo training within the scope of OHS and internal safety procedures applicable within the Group. At the beginning of every project, there occurs the so-called "Contract Start" – the contract management meets with an OHS specialist and an environmental protection specialist to discuss the required procedures. One of the priorities for 2018 was, among others, the preparation of OHS communication for foreigners working on construction sites.

The training system and separate OHS procedures of Budimex SA constitute voluntary additional actions, which we take as a responsible employer. Training takes place more often than ordered by law. The training programme is co-created and assessed by employees, as well as it is consulted with them. OHS training is divided into mandatory and systemic training. In 2018, we trained 2,000 employees, while 414 persons benefited from the first aid training.

In 2018, we introduced several solutions important for improvement of the innovation safety level:

- In the IT system, we launched a module supporting the process of reporting and testing accidents at work, near misses and environmental emergencies. The module supports also the implementation of necessary preventive measures for the entire organisation.
- On selected contracts, we tested the prototype of a smartphone application to report and remove hazards occurring during the construction process by a suitably qualified construction personnel. Installation of the application on mobile phone allows for immediate report of irregularities, taking photos, indicating its location, and even the status – whether the hazard has already been removed. The app enables also to generate appropriate statistics concerning reports. Its aim is to simplify and shorten the communication process and to encourage employees to use it and engage in the safety improvement on construction sites. In 2019, we plan to extend tests to further contracts.

#### 1.21 "Agreement for Safety in Construction"

GRI: 102-12, 102-42, 102-44

Budimex is a signatory of the "Agreement for Safety in Construction", designed to promote appropriate attitudes in terms of OHS in the construction industry. This is the biggest initiative of this kind. Within the Agreement established in 2010, 13 largest companies from the construction industry cooperate with each other to develop as good solutions as possible within the scope of OHS, e.g. uniform document specimens, model of confirming professional qualifications of temporary employees or the periodical training programme. The BIOZ plan is one of the effects of this cooperation. Meetings of the Agreement's Steering Committees gather presidents of the associated construction companies. In 2018, they dealt, among others, with fatal accidents, which took place in the last year. According to the Central Statistical Office data, the construction sector is on the 8th place among the industries in which accidents at work occur, although year by year their number is decreasing, there is still much to be done in this area.<sup>6</sup>

#### 1.22 Accident rate

GRI: 403-2, 403-3

The analysis of accidents makes it possible to clearly determine what specific actions are necessary to eliminate them on construction sites. Every accident is described in compliance with the Polish statutory classification and in compliance with the procedures and classification adopted by the strategic investor, Ferrovial Group, which provides with better capacity of analysing the post-accident statistics (they include e.g. differences in the accident assessment process and definition of a severe accident). Internal self-regulations are more restrictive than legal regulations within the scope of accident rate.

In 2018, during the work environment measurements, an overrun of the NDN noise level was found at the positions of the bituminous mass operator and the bituminous worker. In order to minimise exposure to that factor, we implemented a repair programme in cooperation with the Sanitary and Epidemiological Station (SANEPID) aimed at raising awareness among employees from professional groups particularly exposed to noise. We updated the OHS training programmes regarding the level of occupational risk assessment, measures eliminating the hazard, NDN values, test results and proper application of protective equipment.

<sup>6</sup> Further information on the Budimex involvement in the Agreement's activity may be found in the Report on non-financial information of the Budimex Group for 2018.

Accident rate in Budimex SA in 2018:

	Among own Budimex employees		Among subcontractors' employees	
	2017	2018	2017	2018
Number of accidents (total)	42	69	88	104
Number of fatal accidents	0	0	2	3

(more figures in the tables at the end of the report)

The Management Board of Budimex SA receives statistics concerning accident rates on a monthly basis. Each time, possible fatal accidents or potentially fatal accidents (i.e. accidents that could have resulted in death) are directly reported to the Management Board, which analyses them. Fatal accidents are also discussed in a wider group of representatives of construction companies as part of the Steering Committee of the "Agreement for Security in Construction". This allows to seek solutions together or to propose changes in the employees' safety system valid in the sector.

GRI: 413-2

In order to ensure safety on its construction sites, Budimex SA prevents unauthorised access to them or to their vicinity. Each construction site is fenced and properly marked. Preventive actions are taken also by employees themselves.

#### 1.23 OHS and subcontractors

GRI: 103-1, 103-2, 103-3, 414-1, 414-2

All subcontractors interested in cooperation with Budimex SA, at the stage of offer submission, must become acquainted with and act according to the "Catalogue of requirements concerning the occupational health and safety, fire protection and environmental protection to be included in the offer", which constitutes the set of rules for work performance on the construction site in accordance with legal regulations, BIOZ Plan and standards applicable in the entire Group.

In the next step, employees hired by subcontractors must undergo the OHS training. They are also obliged to wear working clothes, warning vests, protective footwear, helmets and safety glasses. At least two persons should perform every work on the construction site, so that one of them is able to respond, help or call help, if needed. Contractors are obliged to ensure that machinery and technical equipment on the construction site meet the requirements specified in the provisions.

In 2018, 49 OHS violations were found for 1,163 suppliers (100%) being subject to initial qualification and 5,329 final assessments. They were all reported and for each violation corrective measures were recommended. A negative assessment in this area may result in terminating cooperation with a given subcontractor. The register of accidents at work is also kept on the side of subcontractors cooperating with us. Their causes and consequences are always thoroughly analysed.

#### 1.24 #MurowanaKariera in Budimex SA

GRI: 401-2

Behind every big investment there are people. Our employees are experts in their areas, with relevant competencies and experience to implement the most complex projects. They have many years of practice, but our team is composed also of persons who have just started their career. Therefore, we provide our employees with access to many benefits, allowing them to take care of their health, comfort of them and of their family, their own development and their passions. The non-cash benefits package includes:

- additional day off due to one's birthday/name's day,
- life insurance,
- private medical care,
- MultiSport Card and sports sections,
- language courses,
- training,
- employee volunteering,
- international exchange,
- relocation support.

#### 1.25 Career construction from foundations to the roof

In 2018, we planned to employ 1,100 persons by the end of 2019 for positions in more than 50 different specialisations, such as site managers, work engineers, foremen. At the end of October 2018, in order to extend the range of candidate sources, we introduced, as the first company in the construction industry in Poland, an external recommendation programme for persons to work, which is available at [www.polecambudimex.pl](http://www.polecambudimex.pl). Everybody who successfully recommends a person to work in Budimex will receive a financial award of up to PLN 2,000. We take care that the Budimex recruitment process goes efficiently. It has been designed in accordance with the Lean Manufacturing principles and the results of the Candidates Experience test at the level of 98% show that it is positively assessed by candidates.

### 1.26 Internships and work placements

For years, Budimex has been preparing an offer of internships and work placements for students of Polish universities. Throughout the year, we maintain the Internship Programme for those who want to gain first experience in a construction company, get to know the specificity of the industry. Internship lasts from one month to six months. We offer the largest number of internship places in summer months. In 2018, our internships covered over 320 students, of whom almost 30% received a job offer. Internship recruitment is preceded by an educational cycle of the Budimex Academy. It consists in professional workshops addressed to students of Polish technical universities who want to extend their knowledge about practical aspects of implementation of complex building investments. Participation in the Academy allows to meet and discuss with the best practitioners and to get to know the most interesting Budimex projects. The internship recruitment process is supported by a specially prepared recruitment game.

## 9. IMPACT ON LOCAL ENVIRONMENT AND BIODIVERSITY

Accomplishment of the strategy objectives for the years 2016-2020:

Objectives	Indicator (KPI)	2018	
		Objective	Accomplishment
Control of environmental risks and environmental damage and emergency prevention	number of emergencies	0	V
Zero environment-related conflicts which might result in the cessation of works	number of environment-related conflicts which might result in the cessation of works	0	V

### 1.27 Limitation of the local environmental impact

GRI: 103-1, 103-2, 103-3, 413-1

Particularly important investments of Budimex SA in 2018 include, among others, commissioning of the express road S7 Elbląg - Nowy Dwór Gdański (Kazimierzowo junction), completion of construction of the Zabrze heat and power installation, completion of the Czeszów - Kielczów gas pipeline construction, commencement of works at the construction of the A1 motorway on the section Tuszyn - Piotrków Trybunalski - Bełchatów. Those were major construction projects, the implementation of which affected the natural environment and the local community and was associated with irreversible landscape transformations.

Apart from infrastructural facilities, we complete also pro-ecological projects that aim at the limitation of adverse environmental impact of existing structures, e.g. projects involving decarbonisation or fume desulphurisation. We test innovative environmental solutions in cooperation with start-ups under the "Budimex innovations" project. Together with Optical Electronics, we tested smart light fixtures for offices that were equipped with innovative sensors allowing for the maximum use of natural lighting. For lighting without sensors, there was noted energy uptake at the level of 228.94 kWh and for lamps with sensors – only 66.89 kWh, thus allowing to save 70% of costs. The method of remote measurement of illuminance developed by Optical Electronics was reported to the Patent Office of the Republic of Poland.

In Budimex SA and in the whole Budimex Group, the "Environmental Protection Policy" and certified environmental and energy management systems are in place. The Policy requires that all companies within the Group comply with national and international environmental regulations and cooperate with supervisory authorities. Additionally, as part of the Integrated Management System valid in Budimex SA, appropriate certificates and standards were implemented, confirming the applicable procedures for environmental management, most importantly the PN-EN ISO 14001 standard.

Environmental procedures on construction sites are regulated within the framework of uniform internal procedures: "Environmental management on contracts" and "OHS and EP organisation and management on the contract". Their aim is to minimise the negative environmental impact of conducted works.

### 1.28 Environmental concerns on the construction site

GRI: 102-11, 103-3, 304-1, 304-2, 304-3, 304-4, 308-2, 413-1, 413-2

Environmental amenities most often concern the course of roads in the vicinity of households and passages for animals, according to their migration routes and ecotones in forests along routes that protect the ecosystem. In order to protect the environment, water drainage systems and transparent sound-absorbing screens are also created. Formally, the project preparation process, including public consultation and level of environmental impact, for the given project constitutes the responsibility of its investor. Budimex SA, acting as the general contractor, has no direct impact on these issues. However, being a designer on a given contract, it is fully responsible for the project with regard to environmental and social aspects. Regardless of the role and scope of responsibility, one of areas of our 2016-2020 CSR Strategy is to be a good neighbour, guest and partner for local communities, which obligates us, among others, to limit the negative impact on inhabitants of adjacent areas. Our objective is to avoid conflicts against the environmental background. This obligation applies also to our subcontractors, and the key is to carefully prepare and organize construction sites, facilities, proper routing of technological roads, so that they are as troubleless as possible from the point of view of road participants and surrounding residents. Construction site facilities, warehouses, yards and transportation bases are firstly located on already developed and transformed territories. If possible, the construction site is located at a safe distance from inhabited areas. In the course of the project implementation, we transport materials and raw materials mainly on already designated right-of-way. After completion of works, we restore the state of the environment from before the construction, as far as possible. Earlier we protect trunks and tree roots from damage caused by heavy equipment, we fence habitats of animals and plants. We protect water reservoirs from

potential contamination by chemical substances, such as diesel oil from construction vehicles and machinery, originating from the construction site.

We conduct compensatory plantings or re-use at later construction earth layers (humus) removed during works. A popular activity is constituted by the so-called metaplantation, which involves moving plants from the construction site to a new site of the same requirements and qualities. If it is necessary to backfill a small reservoir, amphibians, reptiles and birds living in this location are transferred to a safe place upon their capture. In 2018, we moved 933 individuals of amphibians, such as great crested newt, common newt, common frog, 9 individuals of reptiles, including common lizard, and if birds are concerned, a new place was found by 10 sand martins.

The work schedule depends on the natural cycle, which, for instance, affects the suspension of works in the migration period of forest animals, amphibians or fish or in the bird breeding period. All works comply with legal requirements, including those regarding Natura 2000 areas. There is also conducted an environmental control of the impact zone and habitats on a given territory, while environmental observation is conducted after the project completion. For all investments, which may potentially significantly affect the surrounding environment, a report on the environmental impact is prepared, in accordance with applicable legal regulations. Works on the report are conducted with experts from various fields, such as ornithology, herpetology, botany, etc. The reports lists potential risks and recommended solutions, which will mitigate effects of the given project as much as possible. All pro-environmental actions are supported by environmental specialists, who monitor the situation on an ongoing basis, provide applications and recommendations, such as naturalists, botanists, ichthyologists, dendrologists. Most construction sites are covered by environmental supervision in accordance with environmental decisions and contracts with an entity ordering a given investment. Sometimes supervision is carried out at the request of the contract management or preventively, when the law does not require such supervision. In this way, Budimex implements the precautionary principle.

GRI: 102-11, 306-3, 308-1

One of the goals of our environmental team for 2018 was the implementation of the visual identification system for environmental protection and the environmental protection standard system. On construction sites there are boards informing on the location of the construction waste landfill site, place to clear pumps after concreting, where special care should be taken due to the occurrence of protected species or tree protection zones. This information facilitates the employees and subcontractors to take care of the environmental protection on a given investment.

Every subcontractor is going through training concerning procedures applicable in the field of environmental protection and rules of conduct in the event of failure. Their equipment is also subject to technical efficiency assessment. The supervisory personnel of a given construction site receives specialist training in environmental protection, while the rest of employees take part in regular training courses "Training in the Area of OHS Management and Environmental Protection on a contract".

GRI: 306-3, 307-1

The Environmental Protection Team, which carries out inspections and audits regarding the compliance with adopted environmental protection rules on executed contracts, is responsible for the efficient implementation of the Policy. In 2018, no incidents or environmental emergencies occurred, which could result in harm to the environment. No fines or others sanctions were imposed on Budimex SA due to violation of environmental regulations. No significant substance spillages were observed in 2018.

GRI: 103-3, 308-2

In 2018, 1,163 suppliers (100%) were subjected to initial qualification and 5,329 final assessments summing up cooperation were conducted, within the framework of which environmental issues were also analysed. Irregularities were found in 35 cases. Corrective actions were taken with respect to all of them. The Ethics Commission received no reports concerning violation of environmental protection. Risks associated with irregularities attributable to subcontractors concern usually contamination of soil and groundwater with petroleum products, paints and solvents. It is closely connected with skills of the subcontractors' employees regarding the equipment service and good technical condition of machinery. In order to avoid such situations, subcontractors are provided with training regarding environmental procedures before entering the given construction site.

#### 1.29 *Waste management*

GRI: 103-1, 103-2, 103-3, 306-2, 306-3

Waste management on construction sites is regulated by the Waste Management Plan contained in the BIOZ Plan. If hazardous waste is to be generated in the course of works, prior to the commencement of works the contractor must include this in the "Safe Work Performance" Instruction and respond to emergency situations and environmental incidents during their performance. Proper waste management on construction sites and monitoring of potential residuals of hazardous substances is coordinated on an ongoing basis, on the project completion site by laboratories located on its premises.

A different type of waste is generated at each stage of the construction process. Brick and concrete blocks are produced at the initial stage of demolition of facilities, which will be replaced with a new investment, while old bitumen or track ballast constitutes waste produced after the removal of the road and tracks. The most commonly generated waste types include soil and rubble, rocks and waste from renovation and disassembly of construction facilities and road infrastructure.<sup>7</sup> Many of them can be re-used at subsequent stages of conducted works. Removed soil is a valuable material and can be applied for finishing works. Bushes or branches from clearance, which often cannot be avoided, may be used as the biomass fuel or gardening material after so-called chipping, i.e. grinding to produce small parts. Detailed information on the amount of waste may be found in tables at the end of the report.

<sup>7</sup> Due to their enormous volumes, soil and dirt are presented separately in data tables.



**10. RELATIONS WITH LOCAL COMMUNITIES**

GRI: 103-1, 103-2, 103-3, 413-1, 413-2

1.30 *Reduction of nuisance*

In 2018, 75% of our construction sites used the implemented system for residents to provide feedback on our works. We committed also our site managers to analyse all complaints from residents, so that corrective actions were taken immediately, if needed.

In 2018, 5 resident satisfaction surveys concerning projects carried out in their surroundings were carried out. Surveys were conducted at our request by an independent research agency. With an invitation to participate in the survey, we reach the inhabitants through online communication, campaigns on Facebook, local press, and MMS. The use of access roads was one of the most frequently indicated nuisance in the surveys. On the other hand, the inhabitants appreciated being informed on possible difficulties or on methods of protection of construction sites and their vicinity from potential hazards. During the reported period, there were no environment-related conflicts which would contribute to the cessation of works.

Social assessment of works carried out by Budimex SA on 5 selected projects:

Project title	Population in the vicinity of the project	Number of persons who read the survey on our website	Number of persons who took part in the initial assessment	Number of persons who took part in the detailed assessment
DUNE Housing Estate in Mielno	3,000 persons	768 persons	14 persons assessed works positively	38 persons
			13 persons assessed works neutrally	
			11 persons assessed works negatively	
Express road S5 (Korzeńsko-Widawa)	23,300 persons	387 persons	27 persons assessed works positively	71 persons
			25 persons assessed works neutrally	
			19 persons assessed works negatively	
Jarocin Bypass	15,000 persons	268 persons	42 persons assessed works positively	86 persons
			25 persons assessed works neutrally	
			19 persons assessed works negatively	
Railroad connection Kraków Zabłocie - Krzemionki	5,000 persons	138 persons	6 persons assessed works positively	43 persons
			22 persons assessed works neutrally	
			15 persons assessed works negatively	
Office building BZ WBK Leasing in Wrocław	21 thousand	615 persons	23 persons assessed works positively	61 persons
			21 persons assessed works neutrally	
			17 persons assessed works negatively	

1.31 *Compensating communities for nuisances*

GRI: 413-1

One of the objectives recorded in our CSR Strategy for the years 2016-2020 and in the Company's Liability Policy is to limit the negative impact of our investments on lives of neighbouring inhabitants. This approach applies to the entire Ferrovial Group. We want to be a good neighbour, which is why we always try to understand and meet the needs of local communities, often engaging in their initiatives. We organise educational campaigns related to road safety for the youngest, first aid, and we finance the purchase of equipment for local volunteer fire departments. We also help the inhabitants in performing minor works, such as the exchange of sand in the sand trap or painting playgrounds. In this way we try to compensate for the nuisance related to the construction.

We also conduct non-obligatory, additional public consultation in the course of designing e.g. bypass routes, road closures. We create feedback channels for the inhabitants – traditional mail boxes, dedicated e-mail address and phone number. In 2018, the objective we stated and accomplished was the Budimex Group involvement in at least 50% of the initiatives submitted to us by local communities.

Additionally, on the occasion of the 50th anniversary of the company, we completed the social programme "Change the World. 50 years of Budimex". The social project, which we selected as a part of that initiative, received from us a subsidy in the amount

of half a million zlotys and substantive support at the implementation stage. The winner was the Three Four Foundation, which concept assumed the establishment of the first in Poland Forest School "Puszczyk" in Osowicze near Białystok. The school was opened on 12 December 2018. It is the first facility of this type in Poland, corresponding with the philosophy of the Budimex Group - changing the world through innovative projects. The second place in the contest "Change the World. 50 years of Budimex" and financial support was received by the Association of Saint Lawrence Hospice for the concept of establishment at the children's hospice of "Biofilia" – an all-year tropical garden which allows patients and their relatives to stay in touch with nature. The third place was awarded to the Habitat for Humanity Poland Foundation for an innovative concept of a local activity place called the ReStore Centre.

The project was also a major media success:

- 750,000 persons read the programme-related information in social media,
- 310 publications appeared in total about the programme, including 4 TV and 2 radio footages.

On the occasion of the 50th anniversary of Budimex SA, we organised a nationwide photography competition "50 investments for 50 years of Budimex". We wanted to show you how we had changed our country's landscape through all those years. Every month, we selected finalists who took pictures of our investments. All works can be viewed on the website [www.50workbudimexu.pl](http://www.50workbudimexu.pl).

"ICE Card" and "Parent Zone" have been the flagship author's social programmes of Budimex for years.

#### **ICE Card. Budimex for Children**

The educational programme "ICE Card" is addressed to children from elementary schools. Its purpose is to spread the safety rules among the youth. As part of the action, we refer also to the principles of safe behaviour on the road and provision of first aid. During educational meetings, children receive plastic cards to help them, for example, contact with their relatives in case of accident. 76% of kids wears them strapped to their backpacks. In 2018, the programme covered 60 schools and 4,500 children. In total, since 2009 more than 37,000 students from over 400 schools all over Poland have participated in it.

More information on [www.domofonice.org.pl](http://www.domofonice.org.pl)

#### **Parent Zone. Budimex for Children**

As part of the "Parent Zone", we create special places in paediatric hospitals all over Poland, where little patients can spend time with their parents. In addition, parents may prepare there a meal for themselves, take a shower or overnight. This is very important, because thanks to the parents' presence, the average duration of children's hospitalisation is reduced by 31%. In 2018, we opened 5 zones, which development was supported by 40 volunteers - the Budimex Group employees. Only in the last year, 60,000 children benefited from all Zones. The programme's ambassadors include Agnieszka Grochowska, an actress, and Dariusz Wardziak, known as "Darek Carpenter", who helped us equip zones with unique furniture. By the end of 2018, 28 open zones were created in the entire country to be used by hospitalised children and their parents. In total, 200 volunteers from Budimex were involved in the development of zones.

More information on: [www.strefarodzica.budimex.pl](http://www.strefarodzica.budimex.pl)

#### **"Grant for Volunteering" Programme**

The company has been carrying out the "Grant for Volunteering" programme since 2015. In this initiative, employees of the entire Budimex Group may all-year-long submit their own ideas of beneficial projects for local communities. Ideas submitted are assessed at quarterly meetings of the CSR Committee. The Committee decides also on the grant's amount. In 2018, our employees completed 8 projects with total value of PLN 82,000. In total, 80 volunteers were involved in their implementation. Thanks to grants, we renovated bathrooms in the Saint Lazarus Hospice in Kraków, we adjusted the pavement to the needs of the disabled in the Public Nursing Home in Nowy Czarnów. We also created an educational room for persons under care of the ARKA Association in Olsztyn. Since the launch of the programme, 205 volunteers from the Budimex Group have taken part in it. In total, they completed 30 projects for over PLN 250,000.

Apart from the mentioned social programmes, Budimex SA carries out also a number of charity and sponsoring activities. In 2018, we continued the implementation of socio-cultural and educational projects, promoting physical and sports culture. Examples of actions completed in 2018:

- the "Diamond Explorers" scholarship programme providing financial support to talented and effective youth to enable them to participate in prestigious international and national scientific and technical contests, in particular in such fields as technology, engineering, construction, industrial design, maths and management,
- protection of monuments by supporting the "J. Waldorff's Social Committee of Care for Old Powązki Cemetery", in the vicinity of which the main seat of Budimex SA is located,
- support for the Demos Foundation, which helps young people in a difficult life situation. The Foundation develops premises to conduct education, therapeutic and sports activities. It organises workshops for youth leaders and scholarship programmes. It also develops publishing activities, oriented towards social, educational and cultural issues,
- organisation of events and support of sports teams: a charity game of the Volleyball Stars in Szczecin, Polish Women Chess Championships, Polish Sailing Championships for the Disabled, Stomil Olsztyn Football Club, Polish Sport Bridge Association or the Women Basketball Club "Katarzynki" in Toruń,

In total, the social and sports organisations received from Budimex PLN 1,890 thousand of support in the form of donations.

## 11. QUALITY AND ITS IMPACT ON SAFETY OF CONSTRUCTION FACILITIES

Accomplishment of the strategy objectives for the years 2016-2020:

Objectives	Indicator (KPI)	2018	
		Objective	Accomplishment
Maximisation of the Quality Conformance (QC) index	value of the Quality Conformance (QC) index	≥100% of the last period's value	V

### 1.32 Quality management

GRI: 103-1, 103-2, 103-3, 416-1

The quality of applied construction materials and the accuracy of completion of particular stages of the construction process directly affect the use of the given facility and its safety. Thus, responsibility of the general contractor covers the entire life cycle of the facility - from design, through contracting until its maintenance in use.

The Integrated Management System applies to the Budimex Group, covering, among others, the quality management system according to PN-EN ISO 9001, environmental management system according to PN-EN ISO 14001, OHS management system according to PN-N-18001, and quality assurance system based on requirements of the AQAP 2110 NATO standard.<sup>8</sup>

There are also valid procedures regulating the performance of quality controls on construction sites and quality management for mineral and asphalt mixes, concrete mixes and aggregates. The procedures include the acquisition and use of a given raw material, at various stages of the construction process. They indicate criteria and methods of obtaining materials, provide with guidelines and actions to be taken if deviations from the standard are found.

GRI: 416-2

In 2018, we did not record any incidents which could have resulted in health and life hazards or construction disasters. In the reported period, no fine was imposed on Budimex SA for non-compliance with the law and regulations concerning the provision and use of products and services. Neither were there cases of non-compliances with all the regulations concerning labelling information on products and services

#### 1.32.1 Research laboratories and reliable quality control

GRI: 103-1, 103-2, 103-3, 416-1

In 2018, total of 24 laboratory units nationwide were conducting an ongoing quality control of works and construction products, also in the context of security of building structures, at stages before, during and after the project completion. The Budimex Group's leading laboratory is a central laboratory, which has accreditation of the Polish Centre for Accreditation No. AB 1414. The accreditation is an objective and indisputable proof that the organisation operates in accordance with the best practices, limiting the number of defective products and thus reducing the production costs. In 2018, we increased the number of accredited research by 24% compared to 2017 (in total by 9 methods, currently the central laboratory has 46 accredited research methods). Laboratories are equipped with modern test equipment compliant with international standards.

## 12. REASONABLE USE OF RESOURCES AND ENVIRONMENTAL PROTECTION

Accomplishment of the strategy objectives for the years 2016-2020:

Objectives	Indicator (KPI)	2018	
		Objective	Accomplishment
Effective use of energy and reduction of related emissions.	Toe/1 million sales revenue	2.90	3.49 (there occurred a slight increase due to higher use of bituminous mass for road construction than in previous years - by ca. 30%)
Optimum use of raw materials and materials and minimisation of generated waste.	Quantity of reused materials / quantity of purchased loose materials <sup>9</sup>	N/A	8.62%

GRI: 103-1, 103-2, 103-3

A key aspect adversely affecting the local biosphere may be constituted by waste produced during construction. They usually come from demolition and refurbishment works. Their quantity depends on a number of contracts and a level of their progress. In the Budimex Group, we guarantee that waste is removed with utmost care and the hazardous waste is appropriately disposed of so that they do not pose a threat to people and the environment in the vicinity of the investment. Environmental

<sup>8</sup> Thus, uniform procedures are generally applicable to all (100%) ongoing contracts.

<sup>9</sup> In previous years, the ratio was incorrectly set to% / 1 million of sales revenue, hence the target for 2020 and earlier years was incorrectly defined. Currently, the adjustment concerning this objective value is in progress.

impact applies to materials transported to construction sites and used during works. In order to optimise the transport of materials and thus minimising the carbon footprint of the entire investment, Budimex SA has a network of its own bituminous mass factories, which, if necessary, may be moved to another location within 5-6 weeks.

1.33 *Materials and raw materials*

GRI: 301-1

The most frequently used raw materials and materials include 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. Reuse concerns gravel, spoil, cement, crushed-stone aggregate for bituminous mass, mixes of crushed-stone aggregates, concrete, steel, timber.

GRI: 103-1, 103-2, 103-3, 301-1, 301-2, 306-2, CRE8

In 2018, we planned an increase in reuse of waste materials generated on construction sites by 80%. Only those materials that find no useful application on the given construction site, particularly hazardous materials, are classified as waste. The exact amount of waste depends on a number of contracts and their specification.

In 2018, we segregated the following quantities of secondary raw materials:

Secondary raw materials	Budimex SA
Metals in [t]	760.93
Waste paper in [t]	73.30
Plastics in [t]	273.89

1.34 *Fuel, energy and CO<sub>2</sub> emissions*

GRI: 103-1, 103-2, 103-3, 302-1, 302-3, 305-1, 305-2

Budimex SA demand for fuel and energy results from:

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

Carrying out investments is closely connected with energy consumption and emissivity. Impact of the consumption of fuels and energy depends on the nature of a given project, where equipment is modernised and replaced with more economical and ecological one, educational activities are performed aimed at encouraging employees to use the fuels and energy reasonably. Energy consumption is also reduced in Budimex offices, in the form of energy-saving lighting, computer hardware (100% of computers with Energy Star) or office supplies with ecological signs. We reduce fuel consumption in cars and delivery vans, trucks and working machinery. One of the ways of restoring the balance of environmental impact is constituted by the purchase of so-called green energy, generated in hydro power stations.

**13. SUMMARY OF ACCOMPLISHMENT OF STRATEGY OBJECTIVES FOR THE YEARS 2016-2020**

Accomplishment of the strategy objectives for the years 2016-2020:

Objectives	Indicator (KPI)	2018	
		Objective	Accomplishment
<b>Improvement of occupational health and safety standards</b>			
Zero fatal accidents among the company's employees and employees of subcontractors operating on the construction site.	number of fatal accidents	0	X (3 fatal accidents on the part of subcontractors occurred)
Lowering the value of the accident frequency index among the Budimex Group's employees.	level of the accident frequency index among the Budimex employees	<100% of the last level's index value	V
Lowering the value of the accident severity index among the Budimex Group's employees.	level of accident frequency among the Budimex employees	<100% of the last level's index value	V
<b>Reduction of the environmental impact</b>			
Effective use of energy and reduction of related emissions.	Toe/1 million sales revenue	2.93	X (slight increase occurred – 3.49)
Optimum use of raw materials and materials and minimisation of generated waste.	%/1 million sales revenue	N/A	8.62%
Control of environmental risks and environmental damage and emergency prevention	number of emergencies	0	V
<b>Being a good neighbour and guest for local communities</b>			
Zero environment-related	number of environment-	0	V

conflicts which might result in the cessation of works.	related conflicts which might result in the cessation of works		
<b>Elimination of the risk of unethical conduct</b>			
Zero unverified cases of potential unethical conduct	number of unverified cases of potential unethical conduct	0	V
<b>Building unique competencies and friendly workplace atmosphere</b>			
Maximising the value of the personnel satisfaction index	satisfaction index value	<100% of the last testing value	V
<b>Top quality assurance</b>			
Maximisation of the Quality Conformance (QC) index	value of the Quality Conformance (QC) index	≥100% of the last period's value	V
<b>Support of the culture of innovations</b>			
Increase in innovativeness	Results of the "Workplace Atmosphere Survey" - question: "The company encourages me to look for innovative forms of work"	≥100% of the last period's value	V
<b>Provision of surveillance mechanisms for social and environmental results of activities</b>			
Provision of reliable financial and non-financial reporting	social reporting	V	V

**14. NON-FINANCIAL DATA TABLES**

Table of non-financial issues in accordance with the Accounting Act

Area	Section in the report Budimex SA
Business model	[Value model]
Key ratios of non-financial effectiveness	[Contribution to infrastructure development]
Policies, due diligence procedures, documents concerning:	[Ethics and honesty of operations] [Conditions, health and safety]
- employee issues	
- social issues	[Relations with local communities]
- environmental issues	[Impact on the local environment and biodiversity]
- respect for human rights	[Ethics and honesty of operations]
- corruption prevention	[Ethics and honesty of operations]
Description of risks and management of non-financial risks	[Management of responsibility in the supply chain]

Policies implemented in Budimex SA

Document name	Budimex SA
Integrated Management System Policy	x
Risk Management Control Policy	x
Company's Liability Policy	x
Anti-Corruption Policy	x
Anti-Monopoly Policy and Competition Protection Policy	x
Human Rights Protection Policy	x
Compliance Policy	x
Diversity Policy	x
OHS Policy	x
Environmental Protection Policy	x
Quality, Environment and OHS Policy	x
Information Security Policy	x
Budimex CSR Policy	x
Policy of cooperation with local communities	x

GRI: 102-8

Number of employees as at the end of the year<sup>10</sup>

	2017			2018		
	Women	Men	Total	Women	Men	Total
<b>Budimex SA</b>	<b>1,163</b>	<b>4,200</b>	<b>5,363</b>	<b>1,215</b>	<b>4,782</b>	<b>5,997</b>
- Polish market	1,156	3,187	4,343	1,214	3,870	5,084
definite period	508	1,259	1,767	356	1,524	1,880
indefinite period	648	1,928	2,576	858	2,346	3,204
full-time	1,137	3,181	4,318	1,199	3,860	5,059
part-time	19	6	25	15	10	25
age under 30	438	687	1,125	451	803	1,254
age 30-50	656	2,008	2,664	695	2,459	3,154
age over 50	62	492	554	68	608	676
- German market	7	1,013	1,020	1	912	913
definite period	1	991	992	0	906	906
indefinite period	6	22	28	1	6	7
full-time	7	1,013	1,020	1	912	913
part-time	0	0	0	0	0	0
age under 30	0	130	130	0	97	97
age 30-50	2	610	612	1	533	534
age over 50	5	273	278	0	282	282
age 30-50	0	70	70	0	69	69
age over 50	0	56	56	0	55	55

GRI: 401-1

Newly recruited employees

	2017			2018		
	Women	Men	Total	Women	Men	Total
<b>Budimex SA</b>	<b>288</b>	<b>1,747</b>	<b>2,035</b>	<b>237</b>	<b>2,185</b>	<b>2,422</b>
- Polish market	287	811	1,098	237	1,386	1,623
age under 30	168	335	503	150	418	568
age 30-50	114	398	512	79	768	847
age over 50	5	78	83	8	200	208
- German market	1	936	937	0	799	799
age under 30	0	174	174	0	135	135
age 30-50	1	549	550	0	435	435
age over 50	0	213	213	0	229	229

<sup>10</sup> Data refer exclusively to employees hired in Budimex SA (without subcontractors).

GRI: 401-1

Employee departures

	2017			2018		
	Women	Men	Total	Women	Men	Total
<b>Budimex SA</b>	<b>134</b>	<b>1,314</b>	<b>1,448</b>	<b>185</b>	<b>1,603</b>	<b>1,788</b>
- Polish market	134	444	578	185	723	908
age under 30	51	150	201	66	190	256
age 30-50	71	226	297	103	412	515
age over 50	12	68	80	16	121	137
turnover ratio	11.60%	13.90%	13.30%	15.24%	18.68%	17.86%
- German market	0	870	870	0	880	880
age under 30	0	163	163	0	154	154
age 30-50	0	473	473	0	489	489
age over 50	0	234	234	0	237	237
turnover ratio	0.00%	85.90%	85.30%	0.00%	96.49%	96.39%

GRI: 102-41

Percentage of employees covered by collective agreements

	2017	2018
Budimex SA	99.5%	99.15%

GRI: 405-2

Ratio of remuneration for men to the remuneration for women (in the same employee category)<sup>11</sup>

	2017	2018
<b>Budimex SA</b>		
Blue-collar workers	17.00%	17.0%
White-collar workers*	16.00%	39.4%
Managers	6.00%	8.3%
Executives	9.00%	24.0%

\* White-collar workers = all workers – (blue-collar workers + managers + executives + management board).

\*\*No women employed at this post Definition: remuneration for men / remuneration for women – 1; Note: categories without representation of both genders were excluded.

GRI: 202-1

Ratio of the remuneration at the lowest level in the company to the minimum wage in the country<sup>12</sup>

	2017			2018		
	Women	Men	Total	Women	Men	Total
Budimex SA (Poland)	132%	143%	142%	125%	133%	125%

GRI: 401-3

Number of employees on maternity/paternity leaves as of 31 December

	2017			2018		
	Women	Men	Total	Women	Men	Total
<b>Budimex SA</b>	<b>68</b>	<b>6</b>	<b>74</b>	<b>148</b>	<b>277</b>	<b>425</b>
- Polish market	68	4	72	148	247	395
- German market	0	2	2	0	30	30

<sup>11</sup> Data refer only to the Polish market.<sup>12</sup> Data refer only to the Polish market.

GRI: 401-3

Number of employees who returned to work after maternity/paternity leaves during the year

	2017			2018		
	Women	Men	Total	Women	Men	Total
<b>Budimex SA</b>	66	204	270	70	267	337
- Polish market	66	184	250	70	241	311
- German market	0	20	20	0	26	26

GRI: 401-3

Percentage of employees who terminated their work at the company within 12 months after their return from parental leave

	2017			2018		
	Women	Men	Total	Women	Men	Total
<b>Budimex SA</b>	19.70%	9.31%	11.85%	31.4%	11.6%	15.7%
- Polish market	19.70%	8.70%	11.60%	31.4%	10.4%	15.1%
- German market	0.00%	15.00%	15.00%	0.0%	23.1%	23.1%

GRI: 202-2, 405-1

Diversity in management bodies

	2017			2018		
	Women	Men	Total	Women	Men	Total
<b>Budimex SA</b>						
Management Board	0	8	8	0	7	7
- age under 30	0	0	0	0	0	0
- age 30-50	0	4	4	0	3	3
- age over 50	0	4	4	0	4	4
- including foreigners	0	1	1	0	0	0
Supervisory Board	1	8	9	1	8	9
- age under 30	0	0	0	0	0	0
- age 30-50	0	2	2	0	1	1
- age over 50	1	6	7	1	7	8
- including foreigners	0	4	4	0	4	4

GRI: 403-2

Accidents at work

	Among own Budimex SA employees		Among subcontractors' employees	
	2017	2018	2017	2018
Number of accidents (total)	42	69	88	104
Number of fatal accidents	0	0	2	3
Accident frequency rate	10.27	14.18	no data	no data
Accident severity rate	36.24	27.45	no data	no data

	Accident frequency rate		Accident severity rate	
	2017	2018	2017	2018
<b>Budimex SA</b>	10.27	14.18	36.24	27.45
"Agreement for Safety in Construction"	11.05	13.51	35.95	29.19



Index of injuries, occupational diseases, absences

	Budimex SA	
	2017	2018
Injury rate (IR)	1.03	1.42
	W: 0.34%	W: 0.16%
	M: 1.26%	M: 1.73%
Occupational disease rate (ODR)	0	0
	W: 0%	W: 0%
	M: 0%	M: 0%
Lost day rate (LDR)	38.8	38.92
	W: 11.07%	W: 5.02%
	M: 48.18%	M: 47.36%
Absence rate (AR)*	5,20%	5.13%
	W: 6,39%	W: 6.77%
	M: 4.77%	M: 4.59%

\*The calculations take into account days of incapacity for work caused by bad health condition of an employee or its family on the domestic market (company sickness allowance, Social Insurance Institution sickness allowance, Social Insurance Institution accident allowance, family member care, child care, child care leave Art. 188, rehabilitation benefits)

\*\*W – women; M – men

GRI: 301-1

Consumption of selected raw materials, key due to the type of conducted activities

Raw material / material		Unit of measurement	Budimex SA	
			2017	2018
Paper		thousand tonnes	0.09	0.10
Wood		thousand m <sup>3</sup>	14.15	14.03
Asphalt		thousand tonnes	69.84	78.84
Cement		thousand tonnes	207.95	231.98
Concrete		thousand m <sup>3</sup>	1,113.93	1,681.39
Hydraulic binders		thousand tonnes	182.07	316.26
Lime dust		thousand tonnes	35.72	55.16
Steel		thousand tonnes	128.33	78.76
Asphalt aggregates	sand	thousand tonnes	104.57	334.70
	grit	thousand tonnes	1,140.14	975.79
	other aggregate	thousand tonnes	176.53	350.26
Construction aggregates	sand	thousand tonnes	73.90	79.48
	gravel	thousand tonnes	1,550.74	93.07
Road aggregates	sand	thousand tonnes	10,819.32	8,387.76
	grit	thousand tonnes	642.03	46.13
	other aggregate	thousand tonnes	5,321.02	10,618.35
Hydro-technical aggregates	hydro-technical stone	thousand tonnes	21.88	230.67
Railway aggregates	railway breakstone	thousand tonnes	141.75	467.14

GRI: 301-2

Consumption of raw materials constituting their reuse<sup>13</sup>

Category of recovered raw material	unit of measurement	Budimex SA		
		2016	2017	2018
Combustion by-products	thousand tonnes	37.61	20.07	6.03
Soil	thousand tonnes	1,686.73	1,380.20	1,706.51
Rubble	thousand tonnes	-	91.99	44.32
Crushed asphalt	thousand tonnes	-	66.05	64.77
Aggregate	thousand tonnes	-	8.69	0.00
Track ballast	thousand tonnes	-	65.79	39.24
Loose materials reused as % of purchased aggregates		1.83%	8.17%	8.62%

GRI: 302-1, 303-3

Fuel and electricity consumption<sup>14</sup>

Source of energy and energy-producing raw materials*	unit of measurement	Budimex SA	
		2017	2018
Diesel oil	GJ	251,241.95	356,849.89
	tonne	5,842.84	8,298.83
Petrol	GJ	13,512.02	19,668.30
	tonne	305.01	443.98
Light fuel oil	GJ	39,086.98	40,791.59
	tonne	909.00	948.64
Heavy fuel oil /LSC/	GJ	4,113.89	0.00
	tonne	101.83	0.00
Electricity	GJ	81,689.99	87,857.25
	MWh	22,691.66	25,586.71
Electricity from renewable sources	GJ	24,265.32	22,608.50
	MWh	6,740.37	5,098.22
Heat energy	GJ	32,876.52	41,291.29
	MWh	9,132.36	11,469.80
Coal dust	GJ	322,847.36	461,873.80
	tonne	15,596.49	22,312.74
Network Natural Gas	GJ	2,962.24	8,411.47
	tonne	61.71	175.24
LPG	GJ	755.35	287.87
	tonne	15.97	6.09
Propane gas	GJ	922.45	932.06

<sup>14</sup> Budimex SA treats all purchased energy as direct consumption. All fuels are consumed by machines and equipment owned by Budimex. Despite the fact that part of the energy is used by subcontractors, it is also recognised as direct consumption, since no mechanisms of dividing electricity consumed separately by Budimex and its subcontractors have been introduced.

Source of energy and energy-producing raw materials*	unit of measurement	Budimex SA	
		2017	2018
	tonne	19.50	19.71
Total	GJ	774,274.08	1,040,572.01
	Toe: /tonne of equivalent oil/	18,493.22	24,853.64
Energy efficiency	GJ/million PLN	131.48	146.05
	Toe/million PLN	3.14	3.49

\* All values refer to the organisation's internal consumption (Scope 1, Scope 2)

GRI: 302-1

Purchase of energy from renewable sources

Use of renewable energy	unit of measurement	Budimex SA				
		2016	2017	Change year-to-year	2018	Change year-to-year
Purchase of renewable energy	GJ	8,289.66	24,253.87	193%	22,537.88	-7%
Production of renewable energy		0.00	11.45	-	70.62	517%
<b>Total:</b>		<b>8,289.66</b>	<b>24,265.32</b>	<b>193%</b>	<b>22,608.50</b>	<b>-7%</b>
Reduction of CO <sub>2</sub> emissions /purchase/	tonne	1,869.32	5,469.25	193%	5,082.29	-7%
Reduction of CO <sub>2</sub> emissions /production/		0.00	2.58	-	15.92	517%
<b>Total:</b>		<b>1,869.32</b>	<b>5,471.83</b>	<b>193%</b>	<b>5,098.22</b>	<b>-7%</b>
Efficiency	tonne/million PLN	0.35	0.93	167%	72%	-23%

GRI: 305-1<sup>15</sup>, 305-2, 305-4

CO<sub>2</sub> emissions<sup>16</sup>

CO <sub>2</sub> emissions	unit of measurement	Budimex SA		
		2017	2018	Change year-to-year
Direct emissions (scope 1)	tonnes	54,545.08	76,474.80	40.20%
Indirect emissions (scope 2)	tonnes	18,418.51	19,811.81	7.56%
Total:*	tonnes	72,963.59	96,286.61	31.97%
Efficiency	tonnes/million PLN	12.39	13.51	9.07%

<sup>15</sup> No biogenic CO<sub>2</sub> emissions took place in Budimex SA, both within the Scope 1 and Scope 2.

<sup>16</sup> Estimates obtained using the common methodology applied in the Ferrovial Group, based on the GHG Protocol and actual consumption of basic fuels and electricity.

Indirect emissions (scope 3)**	tonnes	503 581,19	559 284,97	11,06%
Efficiency	Tonnes/million PLN	85,51	78,50	-8,20%

\* All values refer to the organisation's internal consumption (Scope 1, Scope 2)

\*\* Values refer to consumption in the supply chain of key products for which calculations were possible (Scope 3)

GRI: 304-1, 304-3

Operations performed on valuable natural areas or in their vicinity:

Contract name	Works commencement date	Protected Areas
Construction of the S51 Olsztyn – Olsztynek on the section Olsztyn Wschód – Olsztyn Południe (formerly: Construction of the Olsztyn bypass within the national road no. 16: Task 2: from approx. km 10+000 to the end of the project in approx. km 24+701 (after the Olsztyn Wschód junction)	29 March 2016	Natura 2000 Area "Napiwoda-Ramuki Forest" (PLB 280007) area, Protected Landscape Area of the Napiwoda-Ramuki Forest
Design and construction of the express road S5 Korzeńsko - Widawa, task 1: section from Korzeńsko (approx. km 108+758) to km 123+700	31 July 2014	"Barycz River Valley" Landscape Park, "Trzebnickie Hills" Protected Landscape Area, SAC Natura 2000 "Barycz River Valley" PLB020001, designed SAC Natura 2000 "Site on Barycz River" PLH020041, designed SAC Natura 2000 "Widawa River Valley"
Construction of the express road S7 on the section Miłomłyn-Olsztynek, subsection Ostróda Północ - Ostróda Południe within the road S7, including construction of the Ostróda bypass	15 June 2015	"Drwęca River Valley" PLH280001, Drwęca River nature reserve, Upper Drwęca River Valley Protected Landscape Area, Elbląg Canal Protected Landscape Area, Taborskie Forests Protected Landscape Area, Drwęca River Valley PLH200001
Construction of the road S7 Gdańsk (A1) - Elbląg (S22) Koszwały - Elbląg section (with the Kazimierzowo junction)	11 April 2016	Nogat River Protected Landscape Area
Construction of Jarocin bypass within the express road S11	18 November 2014	Żerkowsko-Czeszewski Landscape Park, "Szwajcaria Żerkowska" Protected Landscape Area, "Dwunastek" nature reserve, "Dębno nad Wartą" nature reserve, "Czeszewski Forest" nature reserve
Construction of the express road Żnin-Gniezno, section "Mielno" junction – "Gniezno"	3 December 2014	"Gniezno Lake District" PLH300026, Królewski Forest
Construction of the express road S5 on the section Wronczyn – Kościan	13 April 2016	Natura 2000 Area (natural habitat 91F0 - direct neighbourhood)
Completion of the construction of the Racibórz Dolny Flood Protection Reservoir	4 December 2017	Natura 2000 SPA Wielikąt Ponds and Tworkowski Forest (PLB 240003), Natura 2000 Area Forest near Tworków (PLH240040)
Design and construction of the express road S3 Nowa Sól - Legnica (A4), task V from Lubin Południe junction /without the junction/ to Legnica II junction (A4)	27 February 2015	Habitats of protected species: edible frog
Design and build: "Construction and extension of the regional road no. 678 on the section from Horodniany to the crossing with the regional road no. 682 in Markowszczyzna".	15 December 2016	Habitats of protected species: common toad, green frog, European fire-bellied toad, smooth newt
Design and construction of the express road S17 Garwolin-Kurów on the section Garwolin (end of bypass) - border of the Masovian and Lublin Voivodeships: Part 1: on the section Garwolin (end of bypass) – Gończyce (end of bypass) from approx. km 49+973 to approx. km 62+200 approx. 12.227 km	22 September 2015	Habitats of protected species, among others: common frog, common toad, sand lizard, viviparous lizard, moor frog, northern crested newt, pincushion moss, red-stemmed feathermoss, common haircap, springy turf-moss, flat-topped bogmoss, lesser screw-moss, Formica polyctena, Roman snail, edible frog, song thrush
Design and construction of Suwałki bypass within the express road S61 – Section A and Section B.	29 September 2015	Habitats of protected species: moor frog, common frog, brown frog, common toad (Bufo bufo), Pelobates fuscus, green frog, European fire-bellied toad, pool frog, edible frog, smooth newt, natterjack toad, northern crested newt, Eurasian green toad
Construction of Maciejowa bypass in Jelenia Góra – construction of the southern part of the town bypass under the Project: "Jelenia Góra southern bypass – stage II"	28 September 2017	Habitats of protected species: Eurasian blue tit

Contract name	Works commencement date	Protected Areas
Design and construction of the express road S17 Warsaw (junction Zakręt) - Garwolin on the section Węzeł	27 January 2016	Habitats of protected species, among others: Formica polyctena, red wood ant, white-tailed bumblebee, buff-tailed bumblebee, Roman snail, rook, cartilage lichen, common frog, edible frog, common toad, pool frog, marsh frog, smooth newt, sand lizard, viviparous lizard, grass snake, moor frog, European fire-bellied toad, northern crested newt, Eurasian blue tit, common chaffinch
Extension of ul. Św. Marcina on the section between ul. Gwarna and ul. Ratajczaka in Poznań	4 September 2017	Habitats of protected species: Eurasian collared dove
Construction of the express road S5 Poznań – Wrocław, section Radomicko - Kaczkowo, stage II section Leszno Płd. (with junction) - Kaczkowo	5 May 2016	Habitats of protected species: common toad, Eurasian green toad, common frog, Rana esculenta complex, moor frog
Design and construction of the express road S6 on the section Goleniów - Nowogard (S3 Goleniów Północ junction /with junction/ - beginning of Nowogard bypass)	29 September 2015	Habitats of protected species: sand martin, prairie sphagnum, rugose forkmoss, broom forkmoss, red-stemmed feathermoss, neat feathermoss, western marsh orchid, dwarf everlast, springy turf-moss, crisped pincushion, fine bogmoss
Design and construction of the express road S6 on the section end of Płoty bypass - junction	5 October 2015	Habitats of protected species, among other: dwarf everlast, red-stemmed feathermoss, broom forkmoss, sand martin, red wood ant
Construction of Trasa Niepodległości (Independence Route) in Białystok Stage II: Construction of Aleja Niepodległości (Independence Avenue) in Białystok within the right-of-way of the regional road no. 669 on the section from ul. Narodowych Sił Zbrojnych to Aleja I. J. Paderewskiego	3 December 2016	Habitats of protected species of amphibians and birds
Construction of Trasa Niepodległości (Independence Route) in Białystok Stage III: Construction of Aleja I.J. Paderewskiego in Białystok within the right-of-way of the regional road no. 669 on the section from Aleja Niepodległości to the regional road	3 December 2016	Habitats of protected species of amphibians and birds
Construction of ul. K. Ciołkowskiego in Białystok on the section from ul. Mickiewicza to the city borders together with technical infrastructure	24 November 2016	Habitats of protected species of amphibians and birds
Construction of the express road S5 Poznań – Wrocław section Radomicko - Kaczkowo, stage II section Leszno Płd. (with junction) - Kaczkowo	5 May 2016	Habitats of protected species: common toad, Eurasian green toad, common frog, Rana esculenta complex, moor frog
DK 53 in Szczytno	22 November 2017	Habitats of protected lichens: cartilage lichens, Ramalina fastigiata, Ramalina farinacea, Ramalina pollinaria, Pleurosticta acetabulum
Complex of multi-family buildings, Marina 2 - stage I	2 August 2017	Nature monument Aleja Lip (Lime Tree Avenue)
Extension of the regional road no. 305 on the section from the Leszno powiat border to the border of the Greater Poland Voivodeship in the system design and build	1 August 2016	1 During the inventory, on one of the trees that collide with the investment (common ash growing approx. 1.2 km to the south from Wielen), two species of insects under strict protection were observed: Protactia (Cetonishema) speciosissima and lesser stag beetle. 2 Within the planned investment, three ant colonies of ants from the formica rufa group, being subject to legal protection, were found. 3 Nine species of plants and mushrooms under legal protection were found on the investment area: 1) Two lichens: reindeer lichen and Cladonia ciliata; 2) Three mosses: Pseudoscleropodium purum, red-stemmed feathermoss and Dicranum polysetum; 3) Four vascular plants: common ivy, dwarf everlast, alder buckthorn and Yellow Water-lily
Task I - Construction and extension of the regional road no. 677 on the section Śniadowo - Łomża, with the bypass of Konarzyce, including construction of the level crossing of category >>B<< in Konarzyce with division into 2 tasks	7 February 2018	Nine species, including three considered as probably nesting, were recorded: 1) corn crane 2) black woodpecker 3) ortolan

GRI: 305-7

Emissions of pollutants into the air, main sources (in kg/year)

Pollutant name	unit of measurement	Budimex SA				
		2016	2017	Change	2018	Change
				year-to-year		year-to-year
sulphur dioxide	Tonne	20.65	68.18	230.24%	83.70	23%
nitrogen oxide	Tonne	21.98	53.46	143.23%	76.55	43%
carbon monoxide	Tonne	69.59	68.58	-1.46%	99.27	45%
total inhalable dust	Tonne	12.46	8.64	-30.69%	39.54	358%
aromatic hydrocarbons	Tonne	0.03	0.30	784.09%	13.84	4528%
aliphatic hydrocarbons	Tonne	0.04	0.58	1,363.66%	6.41	1009%
Total	Tonne	124.75	199.73	60.11%	319.3	60%

GRI: 306-2

Waste

Main waste by type		Budimex SA	
		2017	2018
		weight (tonnes)	weight (tonnes)
Hazardous waste, including:		144.248	170.759
Waste code	Waste type		
07 01 03*	Organic halogenated solvents, washing liquids and mother liquors	0.378	3.194
08 01 11*	Waste paint and varnish containing organic solvents or other hazardous substances	-	-
09 01 01*	Water-based developer and fixer solutions	-	-
09 01 04*	Fixer solutions	-	-
12 01 09*	Waste machining emulsions and solutions free of halogens	-	-
13 01 10*	Mineral-based non-chlorinated hydraulic oils	-	-
13 01 13*	Other hydraulic oils	-	-
13 02 05*	Mineral engine oils, gear oils and lubricating oils	-	0.49
13 02 08*	Other engine oils, gear oils and lubricating oils	1.600	0.400
13 05 08*	Mixtures of waste from grit chambers and oil/water separator	-	-
13 07 03*	Other fuels (including mixtures)	-	-
13 05 07	Oily water from oil dehydration in separators	0.060	-
14 06 03*	Other solvents and solvent mixtures	0.134	0.05
15 01 10*	Packaging containing residues of or contaminated by hazardous substances	23.216	19.318
15 01 11*	High pressure packaging	0.350	1.326
15 02 02*	Absorbents, filter materials and protective clothing contaminated by hazardous substances	4.376	19.998
16 01 07*	Oil filters	0.450	0.216
16 02 13*	Discarded equipment containing hazardous elements	-	-
16 05 06*	Laboratory and analytical chemicals (e.g. chemical reagents)	0.409	-
17 02 04*	Glass, plastic and wood waste containing or contaminated with hazardous substances (e.g. sleepers of wood)	4.070	57.380
17 05 03*	Soil and earth (including stones) containing hazardous substances	109.205	32.200
17 05 05*	Dredging spoil containing or contaminated with hazardous substances	-	-
17 06 01*	Insulation materials containing asbestos	-	15.440
17 06 05*	Building materials containing asbestos	-	6.767
17 09 03*	Other construction and demolition wastes (including mixed wastes)	-	13.980

	containing hazardous substances	
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Main waste by type		Budimex SA	
		2017	2018
		weight (tonnes)	weight (tonnes)
<b>Non-hazardous waste, including:</b>		<b>107,388.772</b>	<b>301,599.619</b>
Waste code	Waste type		
01 04 12	Waste from washing and cleaning of minerals	1,331.340	23.56
02 01 03	Plant-tissue waste	14,726.400	643.01
06 03 99	Other not mentioned wastes		50,160.89
10 01 01	Slag, bottom ash and boiler dust		138,393.70
12 01 13	Welding waste	0.280	5.10
12 01 21	Spent grinding bodies and grinding materials	-	5.50
15 01 01	Paper and cardboard packaging	86.442	73.30
15 01 02	Plastic packaging	145.637	235.38
15 01 03	Wooden packaging	10.300	2.01
15 01 04	Metal packaging	-	-
15 01 06	Mixed packaging waste	94.385	47.24
15 01 07	Glass packaging	-	18.83
15 02 03	Absorbents, filter materials, wiping cloths	1.850	0.81
16 01 03	End-of-life tyres	14.800	8.94
16 01 15	Antifreeze fluids	-	-
16 01 17	Ferrous metals	-	-
16 01 19	Plastics	-	0.02
16 01 20	Glass		0.05
16 02 14	Discarded equipment	0.108	-
16 02 16	Components removed from discarded equipment	0.028	0.02
16 06 05	Other batteries and accumulators	-	-
16 07 99	Waste not otherwise specified	-	-
17 01 01	Concrete waste and concrete rubble	32,738.370	44,076.62
17 01 02	Brick rubble	8,332.460	17,354.81
17 01 03	Waste of other ceramic materials and equipment elements	10.600	4.50
17 01 07	Mixed concrete waste, brick rubble, waste ceramic materials	29,660.325	6,167.57
17 01 81	Waste from road repairs and reconstructions	1,645.510	1,524.73
17 01 82	Waste not otherwise specified	-	-
17 02 01	Wood	4,174.525	2,649.34
17 02 02	Glass	-	1.28
17 02 03	Plastics	21.687	38.49
17 03 02	Bituminous mixtures	777.380	1,624.21
17 03 80	Waste tar	48.671	80.89
17 04 05	Iron and steel	2,945.202	760.93
17 04 07	Mixed metals	3.040	-
17 04 11	Cables	1.915	-
17 05 08	Track ballast	370.660	27,286.07
17 06 04	Insulation materials	242.687	525.30
17 09 04	Mixed construction, renovation and demolition waste	10,004.170	9,863.42

Main waste by type		Budimex SA	
		2017	2018
		weight (tonnes)	weight (tonnes)
Non-hazardous waste, including:		107,388.772	301,599.619
Waste code	Waste type		
19 12 12	Waste from mechanical waste treatment	0.000	0.00



## 15. GRI INDEX

GRI: 102-55

GRI Standards	GRI guidelines	Scope overall partial not reported/ not applicable	Area according to ISO 26000	UN Global Compact principle	SDGs	Comment / Description
Profile indicators						
102-1*	Organisation name	Full	6.3.10			Budimex SA
102-2*	Primary brands, products and/or services	Full	6.4.1 6.4.2 6.4.3			[Market activity] More on <a href="http://www.budimex.pl">www.budimex.pl</a>
102-3*	Location of the organisation's main seat	Full	6.4.4 6.4.5 6.8.5 7.8			ul. Stawki 40 01-140 Warsaw Poland <a href="http://www.budimex.pl">www.budimex.pl</a>
102-4*	Number of countries where the organisation operates, names of countries where major operations are located or those particularly relevant in the context of the report	Full				[Socio-economic development]
102-5*	Ownership form and legal structure of the organisation	Full				Spółka Akcyjna (joint-stock company) listed on the Warsaw Stock Exchange (indices: WIG, WIG-BUDOW, WIGDIV, WIG-PL, mWIG40, RESPECT)
102-6*	Markets served, including geographical scope, sectors served, description of customers/consumers and beneficiaries	Partially				[Socio-economic development] Detailed information on this subject can be found in the "Report on the Company's activities for 2018" available on <a href="http://www.budimex.pl/pl/relacje-inwestorskie/raporty-okresowe">http://www.budimex.pl/pl/relacje-inwestorskie/raporty-okresowe</a>
102-7*	Scale of activity	Full				[Contribution to infrastructure development]
102-8*	Number of one's own employees and employees under the company's supervision broken down by gender and type of contract	Full	6.3.10 6.4.1 6.4.2 6.4.3 6.4.4 6.4.5 6.8.5 7.8		8	[Tables with non-financial data]
102-9*	Supply chain	Full				[Management of responsibility in the supply chain]
102-10*	Significant changes in the reported period, regarding size, structure, ownership form or value chain	Full				[Market activity] [About the report] [Importance of issues in the report] A detailed description of changes in the organisational structure of the Budimex Group can be found in the "Report on the Company's activities for 2018"

GRI Standards	GRI guidelines	Scope overall partial not reported/ not applicable	Area according to ISO 26000	UN Global Compact principle	SDGs	Comment / Description
						available on <a href="http://www.budimex.pl/pl/relacje-inwestorskie/raporty-okresowe">http://www.budimex.pl/pl/relacje-inwestorskie/raporty-okresowe</a>
102-11*	Explanation of whether and how the precautionary principle is applied by the organisation	Full		7		<p>[<a href="#">Environmental concerns on a construction site</a>]</p> <p>[<a href="#">Ethics and honesty of operations</a>]</p> <p>The "Environmental management on contracts" and "OHS and EP organisation and management on the contract" procedures, which are a part of the Integrated Management System, define, among others, rules for the analysis of environmental requirements and the concept of environmental impact. They cover every, i.e. also potential, type of impact. In addition, the Group undertook to comply with the precautionary principle by joining the UN Global Compact</p>
102-12*	External, adopted or advocated by the organisation, economic, environmental and social declarations, principles and other initiatives	Full		1-10		<ul style="list-style-type: none"> <li>• UN Global Compact</li> <li>• Diversity Charter (since 2016)</li> <li>• Agreement for Safety in Construction (see: <a href="#">OHS Training and Prevention</a>)</li> </ul>
102-13*	Membership in associations (such as industry associations) and/or in national/ /international organisations	Full		1-10		[ <a href="#">Membership in organisations</a> ]
102-14*	Representations of the executive management concerning the importance of sustainable development for the organisation and its strategy	Full	4.7 6.2.7 4.2 6.2			Letter from the President to the "Report on the Company's activities for 2018"
102-15*	Description of key impacts, opportunities and risks	Full				[ <a href="#">Value model</a> ] Business risks are described in the "Report on the Company's activities for 2018" available on <a href="http://www.budimex.pl/pl/relac-je-">http://www.budimex.pl/pl/relac-je-</a>

GRI Standards	GRI guidelines	Scope overall partial not reported/ not applicable	Area according to ISO 26000	UN Global Compact principle	SDGs	Comment / Description
						inwestorskie/raporty /okresowe.
102-16*	Organisation's values, principles, code and standards of conduct and ethics.	Full	4.4 6.6.3	1-10	16	[Market activity] [Ethics management]
102-18*	Structure and composition of the organisations' management body	Full	6.2 7.4.3 7.7.5	1-10		[Management governance] [Composition of the Management Board and the Supervisory Board] [Management approach] Detailed information can be found in the "Report on the Company's activities for 2018" available on <a href="http://www.budimex.pl/pl/relacje-inwestorskie/raporty/okresowe">http://www.budimex.pl/pl/relacje-inwestorskie/raporty/okresowe</a> . Moreover, information on the current composition of the Management Board, Supervisory Board and its Committees, including CVs of individual persons, is available on: <a href="http://www.budimex.pl/pl/o-budimex/wladze.html">http://www.budimex.pl/pl/o-budimex/wladze.html</a> .
102-40*	List of stakeholder groups engaged by the organisation	Full	5.3			[Stakeholders]
102-41*	Percentage of employees covered by collective labour agreements	Full	6.3.10		8	[Tables with non-financial data]
102-42*	Basis for identification and selection of stakeholders engaged by the organisation	Full	5.3			[Management approach] [CSR strategy] [Stakeholders] [Agreement for Safety in Construction]
102-43*	Approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group	Full				[Importance of issues in the report]
102-44*	Key topics and concerns discussed by stakeholders and the organisation's response, including their reporting	Full				[CSR strategy] [Stakeholders] [Agreement for Safety in Construction]
102-45*	Business units included in the consolidated financial statement	Full	5.2 7.3.2 7.3.3 7.3.4			[Market activity] [About the report] [Tables with non-financial data]
102-46*	Process for defining the report content	Full				[Significance of issues to the report]
102-47*	Identified important aspects of social and environmental	Full	7.3.2			[Stakeholders]

GRI Standards	GRI guidelines	Scope overall partial not reported/ not applicable		Area according to ISO 26000	UN Global Compact principle	SDGs	Comment / Description
	impact			7.3.3 7.3.4			
102-48*	Explanations concerning effects of any adjustments of information included in previous reports, with provision of reasons for such adjustments and their impact (e.g. mergers, acquisitions, change in the base year/period, nature of business activity, measurement methods)	Full	-				Due to the need for the use of another method of calculating the value for the environmental objective of the CSR Strategy for the years 2016-2020 "Optimal use of raw materials and materials and minimisation of generated waste", now the ratio will be calculated according to the relation: quantity of reused materials / quantity of purchased loose materials.
102-49*	Significant changes in relation to the previous report regarding the scope, range, or methods of measurement applied in the report	Full	-				No significant changes
102-50*	Reporting period (e.g. fiscal/ /calendar year)	Full		5.3 7.5.3 7.6.2			Fiscal/calendar year: 1 January 2018-31 December 2018
102-51*	Publication date of the last report (if any)	Full					The report on non-financial data of Budimex SA was published on 22 March 2018, while the integrated report of the Budimex Group was published on 21 May 2018.
102-52*	Reporting cycle (annual, biennial, etc.)	Full					<a href="#">[About the report]</a>
102-53*	Contact person	Full					Aldona Orłowski Director of the Recruitment, Development and Communication Department Budimex SA ul. Stawki 40, 01-040 Warsaw aldona.orlowski@budimex.pl phone no.: (+48) 22 623 60 00
102-54*	Compliance with GRI Standards	Full					<a href="#">[About the report]</a>
102-55*	CSR Index	Full					<a href="#">[GRI Index]</a>
102-56*	Policy and current practice with regard to external verification of the report. If such data are not included in an independent assurance report, explanation of the scope and basis of external	Full					<a href="#">[About the report]</a> The report was prepared by an external entity on the basis of data provided by Budimex SA. The report is to be

GRI Standards	GRI guidelines	Scope overall partial not reported/ not applicable	Area according to ISO 26000	UN Global Compact principle	SDGs	Comment / Description	
	verification and of the relationship between the organisation and the assurance provider.					verified by an independent auditor.	
Indicators by aspects							
Economic subjects							
103-1*	Nature of important area					[Contribution to <u>infrastructure development</u> ]	
103-2*	Disclosure on Management Approach (DMA)						
103-3*	Measurement and evaluation						
201-2*	Financial implications and other risks and opportunities for the organisation's activities resulting from climate change	Full		6.5.5	7	13	No significant impact was stated in the reported period. Nevertheless, the primary raw materials used by the company are the products of industries, which have a significant impact on the climate (production of asphalts and fuels, cement production, steel industry). Thus, changes in regulations and additional burdens of these industries in relation to greenhouse gas emissions may adversely affect the company's costs. Climate change in a broader sense, i.e. intensification of weather anomalies, may affect the contract execution process. On the other hand, the company's offer responds to expectations indirectly related to climate change. Budimex has adequate resources allowing it participate in the restructuring processes for power plants (construction of production facilities). In the company's offer there are facilities where power losses were reduced to the minimum and which meet the demands of climate-aware

GRI Standards	GRI guidelines	Scope overall partial not reported/ not applicable	Area according to ISO 26000	UN Global Compact principle	SDGs	Comment / Description
						customers.
202-1*	Ratio of the lowest level wage compared to the local minimum wage on the given market in main locations of the organisation	Full	6.3.7 6.3.10 6.4.3 6.4.4 6.8.1 6.8.2	1	1,5,8	[Tables with non-financial data]
202-2	Percentage of senior management hired from the local market	Full	6.4.3 6.8.1 6.8.2 6.8.5 6.8.7	6	8	[Tables with non-financial data] The Polish market should be treated as the local market. Basically, the companies within the Budimex Group employ only Polish citizens. Individual foreigners, representing the main shareholder, sit in the companies' bodies. Their number is given in the table illustrating the composition of management and supervisory boards.
203-1*	Contribution to development of infrastructure and provision of services for public benefit through commercial activities, transfer of goods and pro-bono activities. Impact of these activities on society	Full	6.3.9 6.8.1 6.8.2 6.8.7 6.8.9		2, 5, 7, 9, 11	[Contribution to infrastructure development]
Anti-corruption (GRI 205, 206)						
103-1*	Nature of important area		5.2			[Ethics and honesty of operations]
103-2*	Disclosure on Management Approach (DMA)		6 7.3.1 7.4.3 7.7.3 7.7.5	10	16	
103-3*	Measurement and evaluation					
205-1*	Percentage and total number of business units analysed for risks related to corruption	Full	6.6.1 6.6.2 6.6.3	10	16	[Monitoring of threats] The report does not disclose tools used in their monitoring, recognising them as confidential. Disclosure of such information, regarding, in particular, the way of conducting analyses, is assessed by companies as contributing to the reduction of their effectiveness and increased risk of unethical conduct.
205-2*	Percentage of employees	Full	6.6.1	10	16	[Monitoring of

GRI Standards	GRI guidelines	Scope overall partial not reported/ not applicable	Area according to ISO 26000	UN Global Compact principle	SDGs	Comment / Description
	trained in the organisation's anti-corruption policies and procedures		6.6.2 6.6.3 6.6.6			[threats] [Ethics management]
205-3*	Actions taken in response to corruption cases	Full	6.6.1 6.6.2 6.6.3	10	16	[Reporting violations]
206-1*	Total number of legal proceedings initiated against the organisation for anti-competitive conduct, anti-trust, and monopoly practices and their outcomes	Full	6.6.1 6.6.2 6.6.5 6.6.7		16	[Compliance with law]
Environmental subjects						
Natural environment: Raw materials and materials (GRI 301)						
103-1*	Nature of important area		5.2			[Reasonable use of resources and environmental protection]
103-2*	Disclosure on Management Approach (DMA)		6 7.3.1 7.4.3 7.7.3 7.7.5	7, 8, 9		
103-3*	Measurement and evaluation					
301-1*	Raw materials / materials used by weight and volume	Full	6.5.4	8	8, 12	[Materials and raw materials] [Tables with non-financial data]
301-2	Percentage of recycling materials used in the production process	Full	6.5.4	8.9	8, 12	[Materials and raw materials] [Tables with non-financial data]
Natural environment: Energy (GRI 302)						
103-1*	Nature of important area		5.2			[Reasonable use of resources and environmental protection]
103-2*	Disclosure on Management Approach (DMA)		6 7.3.1 7.4.3 7.7.3 7.7.5	7, 8, 9		
103-3*	Measurement and evaluation					
302-1*	Direct and indirect energy consumption by primary energy source	Full	6.5.4	8	7, 8, 12, 13	[Fuel, energy and CO <sub>2</sub> emissions] [Tables with non-financial data]
303-3	Energy efficiency	Full			7, 8, 12, 13	[Fuel, energy and CO <sub>2</sub> emissions] [Tables with non-financial data]
Natural environment: Biodiversity (GRI 304)						
103-1*	Nature of important area		5.2			[Limitation of the local environmental impact]
103-2*	Disclosure on Management Approach (DMA)		6 7.3.1 7.4.3 7.7.3 7.7.5	7, 8, 9		
103-3*	Measurement and evaluation					
304-1*	Location and area of the land owned, leased, or managed located in	Partially	6.5.6	8	6, 13, 14, 15	[Environmental concerns on a construction site]

GRI Standards	GRI guidelines	Scope overall partial not reported/ not applicable	Area according to ISO 26000	UN Global Compact principle	SDGs	Comment / Description
	protected areas or in areas of high biodiversity value outside the protected areas or adjacent to such areas					[Tables with non-financial data] In the discussed indicator, Budimex recognised listed areas and protected species present in the areas of its activity, without detailed figures, since they are difficult to estimate. In the currently performed contracts, Budimex has only environmental decisions with figures presented in the limited scope.
304-2*	Description of a significant impact of activities, products, and services on biodiversity of protected areas and areas of high biodiversity value outside the protected areas	Full	6.5.6	8	6, 13, 14, 15	[Environmental concerns on a construction site]
304-3*	Habitats protected or restored	Partially	6.5.6	8	6, 13, 14, 15	[Environmental concerns on a construction site] Detailed information is available in the studies of environmental impact of individual investments, with an indication of the exact location of the investment. [Tables with non-financial data]
304-4*	Number of species included in the Red List of the International Union for Conservation of Nature (IUCN) and in national lists of endangered species, identified on the organisation's area of impact by the level of extinction risk	Full	6.5.6	8	6, 13, 14, 15	[Environmental concerns on a construction site]
Natural environment: Emissions (GRI 305)						
103-1*	Nature of important area		5.2			[Reasonable use of resources and environmental protection]
103-2* G4-DMA	Disclosure on Management Approach (DMA)		6 7.3.1 7.4.3 7.7.3 7.7.5	7, 8, 9		
103-3*	Measurement and evaluation					
305-1*	Direct greenhouse gas emissions (Scope 1)	Full	6.5.5	8	3, 12, 13, 14, 15	[Fuel, energy and CO <sub>2</sub> emissions] [Tables with non-financial data]
305-2	Total indirect greenhouse gas emissions by weight (Scope 2)	Full	6.5.5	8	3, 12, 13, 14, 15	[Fuel, energy and CO <sub>2</sub> emissions] [Tables with non-financial data]



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305-4	Efficiency associated with greenhouse gas emissions	Full	6.5.5		13, 14, 15	[Tables with non-financial data]
305-7*	Emission of NOx, SOx and other significant compounds emitted to the air by compound type and weight	Full	6.5.5	8	3, 12, 13, 14, 15	[Tables with non-financial data] Pollutants are emitted by individual asphalt mixing plants, whose locations are indicated in the table along with emission values of particular compounds. Emissions are related to the work of paving plants and aggregate dryers, as well as tanks of bitumen, asphalt, limestone and stone dust. They are provided based on data from reports for public administration bodies.
Natural environment: Sewage and waste (GRI 306)						
103-1*	Nature of important area		5.2			[Limitation of the local environmental impact]
103-2*	Disclosure on Management Approach (DMA)		6 7.3.1 7.4.3 7.7.3 7.7.5			
103-3*	Measurement and evaluation					
306-2	Total weight of waste by waste type and waste disposal method	Full	6.5.3	8	3, 6, 12	[Waste management] [Materials and raw materials] [Tables with non-financial data]
306-3*	Total quantity and volume of significant spills	Partially	6.5.3	8	3, 6, 13, 14, 15	[Environmental concerns on a construction site] [Waste management]
Natural environment: Compliance (GRI 307)						
307-1*	Monetary value of fines and total number of non-financial sanctions for non-compliance with environmental laws and regulations	Full	4.6	8	16	[Environmental concerns on a construction site] [Compliance with law]
Natural environment: Environmental assessment of suppliers (GRI 308)						
103-1*	Nature of important area		5.2			[Environmental concerns on a construction site] [Ethics and honesty of operations] [Impact on the local environment and biodiversity] [Ethics management]
103-2*	Disclosure on Management Approach (DMA)		6 7.3.1 7.4.3 7.7.3 7.7.5	7, 8, 9		
103-3*	Measurement and evaluation					

GRI Standards	GRI guidelines	Scope overall partial not reported/ not applicable	Area according to ISO 26000	UN Global Compact principle	SDGs	Comment / Description
308-1*	Percentage of suppliers who were assessed with regard to environmental criteria	Full	6.3.5 6.6.6 7.3.1			[Risk management in the supply chain] [Environmental concerns on a construction site]
308-2*	Significant current and potential environmental risks in the supply chain.	Partially	6.3.5 6.6.6 7.3.1			[Risk management in the supply chain] [Environmental concerns on a construction site]
Social subjects						
Workplace: Employment (GRI 401)						
103-1*	Nature of important area		6			[Ethics and honesty of operations]
103-2*	Disclosure on Management Approach (DMA)					
103-3*	Measurement and evaluation					
401-1*	Total number of departures and employee turnover rate by age group, gender and region	Full	6.4.3	6	5, 8	[Tables with non-financial data]
401-2	Additional benefits provided to full-time employees that are not provided to temporary or part-time employees, by main organisational units	Full	6.4.4 6.8.7		8	[#MurowanaKariera in Budimex] Benefits are the same, regardless of whether the person is a full-time or part-time employee. Additional medical insurance is also available to trainees, employed under civil law contracts. Additionally, members of the management board and selected key employees are included in the "Plan of granting shares connected with Ferrovial objectives", which consists in conditional award of rights to buy shares of the strategic investor's company.
401-3	Percentage of return to work and retention rate after maternity/paternity leave, in relation to gender	Partially	6.4.4		5, 8	[Tables with non-financial data]
Workplace: labour/management relations (GRI 402)						
402-1	Minimum notice period regarding operational changes, including whether it is specified in collective agreements	Full	6.4.3 6.4.5	3	8	In accordance with the requirements of the Polish Labour Law (i.e. 30 days, unless provided otherwise in the Labour Code in a given case)
Workplace: occupational health and safety (OHS) (GRI 403)						

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103-1*	Nature of important area		6 7.3.1 7.4.3 7.7.3 7.7.5	1, 3, 6		[Conditions, occupational health and safety (OHS)]
103-2*	Disclosure on Management Approach (DMA)					
103-3*	Measurement and evaluation					
403-1*	Percentage of the total number of employees represented in formal OHS commissions (that include both the management and employees), which advise on OHS programmes and monitor them	Full	6.4.6	1	8	[Conditions, occupational health and safety (OHS)]
403-2*	Rate of injury, occupational diseases, lost days, and absence at work, and a number of work-related fatal accidents by region	Partially	6.4.6 6.8.8	1	3, 8	[Accident rate] [Tables with non-financial data]
403-3*	Employment at high risk of occupational diseases	Full	6.4.6 6.8.8	1	3, 8	[Accident rate]
403-4*	OHS aspect in collective labour agreements	Full	6.4.6	1	3, 8	
Workplace: Diversity and equal opportunities (GRI 405)						
103-1*	Nature of important area		5.2			[Ethics management] [Diversity management]
103-2*	Disclosure on Management Approach (DMA)		6.2.3 6.3.7 6.3.10 6.4.3	1, 6		
103-3*	Measurement and evaluation					
405-1	Composition of governance bodies and employees divided into categories according to gender, age group, minority, and other diversity indicators	Full	6.2.3 6.3.7 6.3.10 6.4.3	1, 6	5, 8	[Tables with non-financial data]
405-2	Ratio of basic salary of men and women by occupied position	Partially	6.2.3 6.3.7 6.3.10 6.4.3	1, 6	5, 8	[Tables with non-financial data]
Human rights: Aspect management (GRI 406-409)						
103-1*	Nature of important area		5.2			[Ethics management] [Respect for human rights]
103-2*	Disclosure on Management Approach (DMA)		6.3.6 6.3.7 6.3.10 6.4.3	1, 2, 6		
103-3*	Measurement and evaluation					
406-1	Total number of discrimination cases and actions taken in this case	Full	6.3.6 6.3.7 6.3.10 6.4.3	1, 2, 6	5, 8, 16	[Diversity management] [Compliance with law]
407-1	Operations identified as potentially posing a risk for the right of freedom of association and collective bargaining and initiatives supporting these rights	Full	6.3.3 6.3.4 6.3.5 6.3.8 6.3.10 6.4.5 6.6.6	1-3	8	[Compliance with law]

GRI Standards	GRI guidelines	Scope overall partial not reported/ not applicable	Area according to ISO 26000	UN Global Compact principle	SDGs	Comment / Description
408-1	Operations identified as posing a significant risk for use of child labour, and measures taken to eliminate these cases	Full	6.3.3 6.3.4 6.3.5 6.3.7 6.3.10 6.6.6 6.8.4	1, 2, 5	8, 16	[Compliance with law]
409-1	Operations identified as posing a significant risk of the use of forced or compulsory labour, and measures taken to eliminate these cases	Full	6.3.3 6.3.4 6.3.5 6.3.10 6.6.6 4	1, 2, 4	8	[Compliance with law]
Human rights: Procurement and investment procedures (GRI 412)						
103-1*	Nature of important area					[Ethics and honesty of operations]
103-2*	Disclosure on Management Approach (DMA)		6 7.3.1 7.4.3 7.7.3 7.7.5	1-6		[Ethics management] [Respect for human rights]
103-3*	Measurement and evaluation					
412-3*	Percentage and total number of investment agreements including human rights clauses or controlled in this regard	Full	6.3.3 6.3.5 6.6.6	1-2		[Risk management in the supply chain] [Respect for human rights]
Local community (GRI 413)						
103-1*	Nature of important area		5.2			[Accident rate]
103-2*	Disclosure on Management Approach (DMA)		6 7.3.1 7.4.3 7.7.3 7.7.5	10		[Reduction of nuisance]
103-3*	Measurement and evaluation					
413-1*	Nature, scope and effectiveness of programmes and practices in the area of evaluation and management of the organisation's impact on the local community, including the impact of entering a given market, conducting and ending activity	Partially	6.3.9 6.5.1 6.5.2 6.5.3 6.8			[Limitation of the local environmental impact] [Reduction of nuisance] [Compensating communities for nuisance] [Environmental concerns on a construction site]
413-2*	Activities with significant potential or existing negative impact on the local community	Full	6.3.9 6.5.3 6.8		1, 2	[Reduction of nuisance] [Environmental concerns on a construction site] [Accident rate]
Workplace: Assessment of suppliers (GRI 414)						
103-1*	Nature of important area		5.2			[Accident rate]
103-2	Disclosure on Management Approach (DMA)		6 7.3.1 7.4.3 7.7.3 7.7.5	1, 3, 6		[OHS and subcontractors]
103-3*	Measurement and evaluation					

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414-1*	Percentage of suppliers who were assessed against the employment criteria	Partially	6.3.5 6.4.3 6.6.6 7.3.1		5, 16	[Risk management in the supply chain] [OHS and subcontractors]
414-2	Significant current and potential risks of employee relations in the supply chain	Partially	6.3.5 6.4.3 6.6.6 7.3.1		5, 16	[OHS and subcontractors]
Participation in public life (GRI 415)						
415-1*	Total financial and material value of donations to political parties, politicians, and related institutions by country	Full	6.6.1 6.6.2 6.6.4	10	16	[Compliance with law]
Product liability: Customer health and safety (GRI 416, 417, 419)						
103-1*	Nature of important area					[Quality and its impact on safety of construction facilities]
103-2*	Disclosure on Management Approach (DMA)		6 6.7.1 6.7.2 6.7.3 6.7.4 6.7.5 6.7.9 7.3.1 7.4.3 7.7.3 7.7.5 5	1, 8		
103-3*	Measurement and evaluation					
416-1	Product life cycle stages at which the impact of products and services on the health and safety in assessed for the purposes of improving indicators and the percentage of important product and service categories undergoing such procedures	Full	6.7.1 6.7.2 6.7.4 6.7.5 6.8.8	1		[Quality management] [Research laboratories and reliable quality control] The procedures described in the report are generally applicable and apply to all (100%) ongoing contracts.
416-2*	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, with consideration of result type	Full	4.6 6.7.1 6.7.2 6.7.4 6.7.5 6.8.8	1	16	[Quality management]
417-1	Type of product and service information required by the organisation's procedures, and percentage of significant categories of products and services being subject to such requirements	Partially	6.7.1 6.7.2 6.7.3 6.7.4 6.7.5 6.7.9	8	12	Due to the specificity of construction projects, their completion is accompanied by very detailed implementation documentation from the earliest stage. Requirements are specified by regulations and standards. These documents include not only relevant consents, permits or confirmations of

GRI Standards	GRI guidelines	Scope overall partial not reported/ not applicable	Area according to ISO 26000	UN Global Compact principle	SDGs	Comment / Description
						acceptance by different offices and services. Particular raw materials and materials are accompanied by certificates for compliance, declarations of conformity, safety marks, or hygiene certificates. This ensures widely understood safety for people and environment. Rules related to the admission of construction products to trading are regulated by applicable laws. Apart from the Act of 7 July 1994 - Construction Law, the legal basis for the above is formed by two subsequent acts: the Act of 16 April 2004 on Construction Products and the Act of 30 August 2002 on the Compliance Assessment System. Thus, their application is obligatory and covers all (100%) contracts. Support is also provided the Integrated Management System, which guarantees the use of correct construction products and materials.
Compliance (GRI 419)						
419-1*	Non-compliance with law and socio-economic regulations	Full	4.6 6.7.1 6.7.2 6.7.6		16	No penalties were imposed <u>[Compliance with law]</u>
Sectoral indicators						
CRE6*	Percentage of the organisation operating in compliance with international OHS management systems (e.g. ISO 18000)	Full				<u>[Conditions, occupational health and safety]</u> In the case of Budimex SA, the implementation of ISO 18000 and OHSAS 18000 was confirmed with relevant certificates.

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CRE8*	Certification of new facilities referring to sustainable development, operation of existing and demolition of liquidated facilities	Partially			7, 8, 10, 11, 12	<p>[Materials and raw materials]</p> <ul style="list-style-type: none"> <li>• Office building ul. Heweliusza 18 in Gdańsk: BREEM VERY GOOD (July 2018)</li> <li>• Extension, reconstruction and renovation of the NA Soldiers of the II Region "Celków" Elementary School no. 2 with the Integration Departments in Marki at ul. Szkolna 9: BREEM GOOD, GREEN BUILDING STANDARD (March 2018)</li> <li>• Construction of the Siemens office building, ul. Żupnicza 11 in Warsaw: LEED (April 2018)</li> <li>• Office and service building for BZWBK LEASING in Wrocław: LEED GOLD (January 2018)</li> <li>• Office buildings Off Piotrkowska in Łódź: BREEAM VERY GOOD (June 2018)</li> <li>• Construction of the Ghelamco_Kapelanka office building in Cracow: BREEM VERY GOOD (July 2018)</li> </ul>

Warsaw, 21 March 2019

Dariusz Blocher President of the Management Board

Jacek Daniewski Member of the Management Board

Radosław Górski Member of the Management Board

Cezary Mączka Member of the Management Board

Artur Popko Member of the Management Board

Henryk Urbański Member of the Management Board

Marcin Węglowski Member of the Management Board