

# **budimex**

**BUDIMEX GROUP**

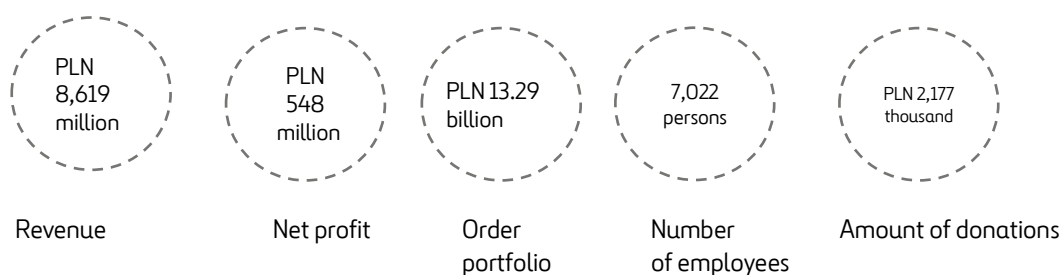
**REPORT ON NON-FINANCIAL INFORMATION FOR 2022**

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## Budimex Group in numbers in 2022

### Key non-financial performance indicators (Article 49b(2)(2))



### Budimex Group 2022

#### Financial area:

revenue	PLN 8,619 million
net profit	PLN 548 million
order portfolio	PLN 13.29 billion
signed contracts in 2022	PLN 7.88 billion

#### Personnel area:

number of employees	7,022 persons
number of accidents among own workers in the Capital Group	110
ratio of women's basic salary to men's basic salary by occupied position	
all employees in total	17%
senior management staff	41.9%
managers	19.9%
other employees	1.8%

#### Social area:

amount of donations	PLN 2,177 thousand
number of campaigns <i>Grant for volunteering</i>	7

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**Environmental area:**

total energy consumption	28,075.3 MWh
total CO <sub>2</sub> emissions (scope 1 and 2) in the Capital Group	71,316.5 Mg CO <sub>2</sub> e
total water consumption	215,085.1 m <sup>3</sup>

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**Counteracting corruption and human rights area**

number of confirmed corruption cases	0
number of confirmed cases of human rights violations	0

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## 1. Letter from the President

[2-14] [2-22]

Dear Sirs,

We have undoubtedly come to live in interesting times. These words gained particular significance last year, when the resurgent optimism, after long months marked by the pandemic, was shattered by Russia's attack on Ukraine. This event affected the already weakened global economy by triggering one of the biggest crises in history, including in the construction industry. The sudden downturn affected the condition of a sector that had for years contributed significantly to the state budget. History shows, however, that the crisis is also an opportunity for a new development path. We believe that setting ambitious goals and being flexible is the only way to survive in unstable times. This report presents the results of this path and we are already taking the results of the analyses carried out over the past year into account when planning our next business objectives.

In 2022, setting as our goal the consistent pursuit of further diversification and strengthening of the business, we decided to introduce several changes in the structure of the Budimex Group. Along with the newly chosen directions of development, we have focused on building up areas that allow us to expand our activities in neighbouring countries and also to balance the business activity carried out in Poland. We established three foreign entities – Budimex Bau GmbH, Budimex Construction Prague s.r.o., and Budimex Slovakia s.r.o. – and throughout the year, we actively strengthened our most valuable capital – the human resources that will allow us to strengthen our position in the chosen markets.

Energy transformation is an obligation stipulated in the EU agendas that rests on the entire business community with a focus on resource availability and living conditions for future generations. At Budimex, we are wholeheartedly committed to this process. In 2022, we continued our efforts to reduce our carbon footprint. These included a number of energy-saving solutions implemented on construction sites and the promotion of the right attitude among employees through educational projects. Last year, we also established Circular Construction SA to support our goals of implementing the principles of a circular economy. Construction is a highly material-intensive industry, so with the help of modern technologies, the company's task is to recycle construction waste in an efficient and economic way. This green competence pillar of our Group also includes the acquired company Magnolia Energy and the photovoltaic company HIG XIV, which started construction of a wind and photovoltaic farm with a combined capacity of more than 20 MW in 2022. Low-carbon transport is also green, which requires appropriate infrastructure in the near future. We have therefore set up Budimex Mobility (formerly Budimex PPP SA), which aims to support commercial entities and local governments in the implementation of tasks resulting from national and EU regulations related to the reduction of CO<sub>2</sub> emissions and the development of clean technologies. Moreover, one of the company's objectives is to contribute to the expansion of the electric vehicle fleet inside the largest construction group in Poland. It should be emphasised that the company has purchased 109 electric chargers in less than a year and intends to launch them in the first quarter of 2023. We see the Budimex Group's participation in the RES market as part of strengthening energy efficiency and the company's business portfolio. Green energy is an area that requires huge investments in the coming years, and that we as a company have the capital to implement on the necessary scale.

At Budimex, we are aware that sustainable growth cannot be achieved in isolation from the principles of social responsibility and sustainability. This is a result of both the characteristics of the construction industry and advancing climate change, as well as our preferred method of management. We build with and for people, putting people and their needs at the centre. At the same time, this approach forms the basis for the Budimex Group's past and future ESG activities.

Our responsibility to investors, employees and shareholders means that, as a company, we need to closely monitor the opportunities and threats arising from advancing climate change. Due to the nature of our business and the amount of waste generated in the course of our work, we are aiming to introduce a circular model throughout the Budimex Group's value chain. These measures include selecting raw materials for construction from certified sources, increasing the percentage of recycled waste and verifying the compliance of our suppliers and partners with the principles of sustainable development.

Protecting natural resources is a commitment and priority for the Budimex Group. In 2022, we continued to implement further policies and procedures related to respecting biodiversity and safeguarding local ecosystems – both at the design and execution stages. As part of the contract for the construction of a barrier on the Polish-Belarusian border, being aware of operating in the immediate vicinity of protected areas, we introduced additional procedures to reduce environmental risks.

In the Budimex Group, by sustainable and responsible management, we also mean constant care for the relationship with internal and external stakeholders. We are an inclusive and open company. We aim to provide our employees not only with a steady job, but also with space for unlimited development. We promote gender equality in terms of pay and working conditions. In the past year, we have successively increased the parity of women in management positions, supported them in acquiring competencies, and consistently bridged the pay gap.

Budimex Group is growing thanks to the commitment and ingenuity of the people it has been developing within its structures for years. Every year, it identifies talents in the organisation and plans their succession process. As a result, at the end of 2022, the Management Board of the Group was expanded by a decision of the Supervisory Board to include three new members, whose long-standing and diversified experience enriches the Group's management competence.

At Budimex Group, respect and care for the employee means first and foremost caring for their safety. Our priority has always been to set the highest health and safety standards for the construction industry. We have a number of policies and programmes aimed at our team members and partners, in which our entire industry community actively participates, e.g. 'Safety Week'. In 2022, we have been streamlining and increasing the effectiveness of our incident detection and analysis solutions, and applying the conclusions in the course of updating existing procedures and making effective improvements on our project sites.

We want to be a good neighbour. We pay a lot of attention to the needs of local communities when implementing construction projects. We are keen to ensure that, in addition to the benefits offered by a new facility or piece of infrastructure, we leave added value by affecting the comfort of life for local residents. In 2022, our community activities included the second edition of one of our flagship projects, 'House from the Heart'. We also invited our employees to join in helping Ukraine through a volunteer programme.

In the Budimex Group, we are strongly committed to principles such as quality, honesty, timeliness or transparency. We strive to achieve the highest standards in all areas of our business activities. This includes compliance with the European Union's requirements for sustainable business operations and Minimum Safeguards. In this report, we have disclosed for the first time the percentage of turnover, capital expenditure and operating expenses of the Budimex Group linked to the EU taxonomy. We have also indicated the actions taken by the company in terms of procedures and policies upholding human rights in our organisation and preventing corruption, unfair competition and other types of abuse. We are closely monitoring the European Commission's directives, including the CSRD, and are already implementing solutions to meet our reporting obligations based on the new rules. As part of the CSR and ESG strategies under development, we are committed to broadening the scope of GHG emissions calculations to include the water footprint.

We want to act in accordance with current legislation, but above all in a responsible manner, respecting our employees, partners, as well as the beneficiaries of our investments and their environment. People and quality of life are the foundation on which we will build our potential in the coming years.

I am very proud to present to you our non-financial report for 2022. Despite the unfavourable circumstances and mounting challenges, thanks to the great commitment and experience of the people who make up the Budimex Group, we are going beyond the pattern of a traditional construction company towards a modern enterprise that responds to people's needs and improves their quality of life. We are setting new business goals, growing in a sustainable and innovative way, and successively building our commitment to energy transformation. I would like to thank you for your invaluable contribution, your daily work and all that we have been able to achieve together.

Yours faithfully,

President of the Management Board of Budimex SA

Artur Popko

## **2. About the Budimex Group**

### **2.1. Business model of the Budimex Group**

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

Budimex Group provides a wide range of construction and assembly services performed under the general contracting system in Poland and abroad. It manufactures products and offers services. Municipal waste management, comprehensive road maintenance, as well as building maintenance.

As part of its construction activities, Budimex SA, Budimex Kolejnictwo SA and Budimex Budownictwo Sp. z o.o. carry out tasks in all market segments, starting from road, railway and hydrotechnical infrastructure, through housing facilities, to complex power and industrial projects. Mostostal Kraków SA specialises in the execution and assembly of steel structures and devices for the cement and lime, energy, metallurgy and chemical industries, as well as offering design services. The companies of the FBSerwis Group, in terms of service activities, deal with waste management, provide comprehensive road infrastructure maintenance services and lighting infrastructure management and building maintenance services.

The basic form of the company's activity takes place through contracts. Each year, Budimex concurrently performs about 200 contracts, the FBSerwis Group about 120 contracts, and Mostostal Kraków SA about 40 contracts.

Budimex's construction activities are carried out primarily in Poland and, on a limited scale, also on foreign markets. For nearly 60 years, there has been the German Market Branch, with operational activities focused on subcontracting services for German companies in the scope of; production of prefabricated reinforced concrete elements, production of prefabricated elements for general and engineering construction, reinforcement works, production of steel structures (for power plants, bridge construction, halls, containers, tanks and machines). Budimex Bau GmbH, started to acquire construction contracts on the German market, and under the newly established entities – Budimex Construction Prague s.r.o. and Budimex Slovakia s.r.o. – the Group is also expanding its activities on the Czech and Slovak markets.

The Budimex Group makes every effort to complete the entrusted tasks on time, while maintaining high standards of safety and work quality. Its long-standing experience in the construction area enables the company to offer a full range of works in the general contracting system.

The key materials in the Budimex Group, in all areas related to sustainable development management, are the following documents. Descriptions of individual rules and policies can be found in the relevant thematic chapters.

1. Compliance Policy
2. Code of Ethics for Employees of the Budimex Group
3. Ferrovia Group Code of Ethics
4. Anti-Corruption Policy
5. Human Rights Protection Policy
6. Diversity Policy
7. Code of Conduct for Contractors of Budimex SA
8. Counteracting mobbing and discrimination
9. Rules for informing about the employment of persons related to the employee
10. Principles for dealing with suspected breaches of the Compliance Policy and for countering breaches
11. Rules of Conduct in Case of Offering Financial Benefits to an Employee and in Case of Taking Attempts to Intimidate Them
12. Rules for participation in, giving and receiving gifts at sponsored events and other events with a conflict of interest nature
13. Approval of Sponsorship Projects, Patronage, Donations and Grants
14. Due Diligence of Business Partner
15. Money laundering and terrorist financing prevention



## **2.2. The activity of Budimex Group**

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

### **BUDIMEX SA**

#### **INFRASTRUCTURE CONSTRUCTION**

We carry out projects in the following areas: road construction, bridge construction, railway infrastructure, aviation infrastructure and hydrotechnical construction. We are helped by reliable pricing, close cooperation with the ordering party and good organisation of work at every stage of the project. Moreover, we have our own equipment base, we have bituminous mixing plants and a network of certified laboratories across the entire country.

The offer is supplemented by FBSerwis, a company belonging to the Budimex Group, which offers services related to the comprehensive maintenance of road infrastructure.

#### **RAILWAY CONSTRUCTION**

Services related to the area of railway construction are of great importance in the business offer of the Budimex Group. When executing projects concluded with investors through public proceedings, it is important for us to cooperate closely with the ordering party and to properly organise works at each stage of the investment implementation. In addition, we have our own equipment base, which is necessary for the execution of railway contracts. Examples of our completed projects include platforms, stations and railway lines.

The offer is supplemented by Budimex Kolejnictwo SA, a company belonging to the Budimex Group, which offers railway, equipment, welding and surveying services as part of its activities. Through the use of new high-performance track machinery and two-way welding vehicles, it is becoming the industry leader in equipment services for railway construction. In addition, Budimex Kolejnictwo SA is a certified rail carrier, thanks to which it also provides transport services. The Company has a qualified and experienced staff of operators and supervisors to operate the machines; their qualifications continually improve through additional training. The combination of modern machinery, experienced staff and innovative solutions allows us to perform construction work faster, with significantly higher quality compared to other machines available on the market.

#### **GENERAL CONSTRUCTION**

As a company with a nationwide and international reach, the Budimex Group has a full range of services in the area of general construction. The Group's potential and extensive technical resources enable the implementation of many projects simultaneously. Our offer includes general contracting of public utility buildings, commercial, industrial, residential and sports facilities. We provide comprehensive services at all stages of the construction process. We use our own technical office and propose optimal technological solutions to our customers. Budimex's offer is enriched by the use of the BIM methodology, which streamlines the design process and implementation. Thanks to the use of modern tools, the company can increase its competitiveness on the market by offering customers: more accurate valuations of construction works, better communication, and increased control over the investment implementation process. Budimex also offers the preparation of as-built BIM models, which significantly improve the process of facility operation and management.

Budimex's offer in the area of general construction is supplemented by other Group companies: FBSerwis SA – offering comprehensive services in the area of Facility Management, and Mostostal Kraków SA – specialising in steel structures.

#### **ENERGY AND INDUSTRIAL CONSTRUCTION**

The power and industrial markets are key areas of development for the Budimex Group. We have been executing investments in these construction segments for many years. Depending on the scale of the project, we build as a general contractor or in consortia with leaders in the energy and industrial sectors.

#### **RES**

The Budimex Group also operates in the segment of renewable energy sources not only as a contractor of this type of installation, but also as an investor. In February 2022, the Company acquired a project for a ready-to-build wind farm located in the Wielkopolskie Voivodeship with a capacity of up to 7 MW. In November, the Budimex Group expanded its portfolio with another project, this time a photovoltaic farm (also in the form of the purchase of shares in existing company). The energy produced by this farm should largely cover the Company's demand for electricity. The Group is looking for further projects to purchase and is working towards the organic development of such systems by conducting a long-term development process.

#### **LABORATORY SERVICES**

The Budimex Group has its own extensive laboratory and technological facilities. This makes it possible to carry out effective, on-going quality control of construction works and post-construction analysis. Our Central Laboratory is accredited by the Polish Centre for Accreditation with the number AB1414.

## **EQUIPMENT SERVICES**

The Budimex SA Equipment Services Division has at its disposal highly qualified supervisory staff and modern equipment for earthworks, mass spreading, pavement milling and crane services. It also offers professional low-loading transport services.

## **MINERAL AND ASPHALT MIXTURES**

Budimex Group has extensive experience in the technology of recycled road decomposition. Most of the company's plants are equipped with a system for cold dosing of asphalt granules or a system with a parallel drum, which allows hot adding of asphalt road debris. The company's high-class technological and laboratory facilities have allowed it to optimise the production of mineral and asphalt mixtures, in terms of technical requirements and material costs, so that MMA mixtures manufactured by Budimex are always compliant with quality requirements and can be sold at competitive prices.

## **MOSTOSTAL KRAKÓW SA**

The company is a specialist construction company offering contracting and assembly services with regard to all kinds of steel structures and equipment installation, mostly for the cement and lime, power, metallurgy and chemical industries. Mostostal Kraków is involved in the comprehensive construction of industrial facilities. It has two Steel Constructions Manufacturing Plants – in Kraków and in Kleszczów – with a total production capacity of approximately 1,200 tonnes of structures per month. The company prefabricates, supplies and assembles steel structures for industrial and general construction, bridges (road, railway and footbridges), tanks, pipelines and dust collection ducts. Mostostal Kraków SA has the capacity to produce structural elements manufactured from steels such as: 16CrMo (heat-resistant chromium-molybdenum), 16Mo3 (boiler steel with increased molybdenum content), S355J2W (Corten).

In addition, the company guarantees:

- comprehensive execution of orders for steel construction elements,
- corrosion and fire protection laboratory and testing,
- training and examination services (according to PN EN 287-1 and PN EN 287-2),
- specialised welding services,
- development of projects at all stages, search for innovative engineering solutions, value engineering, development of advanced coordination models in BIM technology.

## **FBSERWIS GROUP**

The FBSerwis Group carries out such contracts as: waste management services, technical maintenance of facilities, upgrade of lighting infrastructure and ongoing maintenance of national roads and motorways, as well as internal roads. In terms of waste collection, it serves more than 600,000 residents throughout Poland and commercial customers ranging from small businesses to retail chains and industry. The organisation operates five systems for the mechanical-biological processing of municipal waste and three landfills. The FBSerwis Group maintains around 1,800 km of national roads and motorways, has upgraded around 90,000 lighting points and technically maintains over 6.5 million square metres of space – office buildings, logistics facilities, retail chains, sports facilities, shopping malls and industrial facilities.

## **Circular Construction SA**

The Company was established out of concern for the environment, in order to solve waste problems and guarantee their safe management and treatment. The company operates in the field of recycling in the broadest sense of the term: collection and storage of waste and its processing for reuse. The company's activities are mainly related to the recycling of construction materials using technologies that allow their separation and fractionation in order not only to store the materials but, above all, to process them in an efficient and economic manner.

## **Budimex Mobility (formerly Budimex PPP SA)**

Budimex Group intends to create a network of publicly accessible electric vehicle charging stations located throughout the country. Budimex Mobility SA has been established for this purpose. In December 2022, Budimex Mobility SA submitted an offer in the tender organised by Enea Operator sp. z o.o. for the purchase of 125 electric vehicle charging stations located in Bydgoszcz, Gorzów Wielkopolski, Poznań and Szczecin. The offer turned out to be the most advantageous with regard to 109 stations. At the same time, Budimex Mobility SA is developing a network of electric vehicle charging stations organically by conducting a comprehensive development process.

## 2.3. Contracts of Most Significance

### BUDIMEX SA

#### INFRASTRUCTURE CONSTRUCTION

##### **S61 expressway, section Wysokie – Raczki**

Budimex, together with the investor, the General Directorate for National Roads and Motorways and the Ministry of Infrastructure, commissioned the S61 Wysokie – Raczki section in early 2022. The 20-kilometre section of the new expressway is the first completed section of the Via Baltica route in the Warmian-Masurian Voivodeship. The construction work began in October 2019. The project included the construction of 20.17 km of concrete-surfaced expressway, a WB (collision-free) Wysokie junction with 2 roundabouts, as well as 31 access roads with a total length of 32.36 km, 25 engineering structures – bridges, road flyovers, animal crossings and environmental culverts. In addition, 7 roads crossing the main route with a total length of 6.22 km have been reconstructed. The value of the completed work amounted to PLN 575 million (gross).

##### **S14 Route – Konstancinów Łódzki – Łódź Lublinek**

Budimex, in consortium with Strabag, commissioned a 12-kilometre-long section of the S14 express route constituting the southern part of the western ring road of Łódź. The investor in the project is the General Directorate for National Roads and Motorways in Łódź. The consortium has implemented the investment under the ‘design and build’ system. The value of the project, including the also constructed Teofilów Junction, amounted to PLN 512 million net. The investment included the construction of 4 road junctions and 17 engineering structures. The wearing course was made using asphalt concrete technology. At key points, as many as 220 pieces of construction equipment and nearly 500 people worked on the construction site. The construction works began in 2019. A feature of this 12-kilometre section of the S14 is the large number of road junctions and engineering structures.

##### **Smolajny ring road**

In August 2022, Budimex commissioned the Smolajny ring road in the course of national road no. 51. This is the first of its kind completed under the government’s Programme for the Construction of 100 Ring Roads for 2020–2030. The investment involved the extension of the road in the existing and partly in the new route. The value of the contract for a road section with a total length of 1.76 km is more than PLN 30 million. Despite the difficult ground and water conditions and an increase in the price of key construction materials, Budimex managed to maintain a high pace of work and completed the investment ahead of schedule. The execution of the task also included the construction of environmental protection facilities and the planting of over 1,000 trees and shrubs.

##### **The Łagiewnicka Route in Kraków**

The Łagiewnicka Route is one of the most important investments undertaken by the city of Kraków in recent years. Pursuant to a contract worth PLN 680 million, the Budimex Group commissioned the 3.5-kilometre-long route. Construction works started in July 2018 and ran until June 2022. The scope of work included the design and construction of a traffic route from Grota-Roweckiego Street to the intersection of Witosza, Halszki and Beskidzka Streets. An important part of the investment was the preparation of a tram line that connected the Kurdwanów housing estate with Zakopiańska Street. More than 2 km, i.e. most of the 3.5 km of road built, was routed in tunnels, the longest of which is over 700 metres long. In addition, as part of the investment, new road junctions, noise barriers, bridges, footbridges or pavements were built. The course of the Wilga river bed and the route of the nearby Kraków-Skawina railway line were also changed. Cycle paths were built along the entire project, and a new tram line was constructed on its section. Above the tunnels, in the vicinity of Zbrojarzy Street, recreational areas have been created, including a skatepark, sports fields and playgrounds. The new tram infrastructure is supposed to improve the city’s public transport system and improve the living conditions for residents of Kraków’s southern districts.

##### **Rumia Janowo intermodal junction**

The aim of realising the Rumia Janowo interchange was to improve traffic flow and upgrade the surrounding infrastructure. The implementation of the investment made it possible to permanently integrate different modes of transport: rail, car, public transport and bicycle. The investment also included the construction of flood control reservoirs connected to the urban drainage system. These solutions are intended to protect the city from regular flooding. Near the Rumia Janowo SKM station, a tunnel connecting the two parts of the city, car parks, bicycle paths, bus shelters and bays, footbridges, as well as amenities for the disabled were created. The biggest challenge was the construction of the tunnel, passing under 4 active railway tracks and the platform of the Rumia Janowo stop. The net value of the contract amounted to PLN 66 million gross. The investor is the municipality self-government of Rumia.

##### **Wałbrzych ring road**

The six-kilometre long Wałbrzych ring road runs in the mountainous area of the so-called Wałbrzyskie Mountains and allows the city centre to be bypassed. Investors in the project were the City of Wałbrzych and the General Directorate for National Roads and Motorways, Wrocław Branch. The investment was co-financed from European Union funds. The Wałbrzych ring road is a dual carriageway with three junctions. Three trestle bridges were built along the route, with the longest structure spanning 180 metres. As part of the contract, the Budimex Group also constructed a subway along Żeromskiego Street, a footbridge and three frame culverts on the Szczawnik stream. The construction was challenging due to the uninventoried post-mining infrastructure existing under the road under construction – the Gustaw and Lisia Sztolnia shafts. These required design changes and a lot of additional work to strengthen and secure the new ring road.

### **S5 Ornowo – Wirwajdy route**

The new section of the S5 Ornowo – Wirwajdy connects the Ostróda ring road with the existing route of national road 16 in the area of the village of Wirwajdy. Construction of the S5 in the 2+2 lane standard started in July 2020. The value of the contract with the General Directorate for National Roads and Motorways Branch in Olsztyn was PLN 165.6 million net.

During the implementation of the investment, nearly 1,000,000 m<sup>3</sup> of soil was used, 4 new engineering structures were built along the expressway and 2 engineering structures over the expressway. Budimex also completed 6 culverts for ecological purposes intended for small animals. The construction of the S5 between Ornowo and Wirwajdy is another road investment of the Budimex Group in Warmia and Masuria. The scope of works of the Ostróda project also included the construction of the largest extradosed bridge in Europe. This record four-span bridge with a total length of 677 metres was completed with cantilever technology.

### **S6 express route on the section Luzino (without the junction) – Szemud (with nodes)**

As part of the contract, Budimex completed the construction of the S6 expressway along the Luzino (without junction) – Szemud (with junction) section and thus commissioned a 10-km-long section of the Kashubian Route in the Pomorskie Voivodeship. Moreover, in the course of the investment, 10 km of access roads, local roads and exits to serve the adjacent area were completed. Thirteen engineering structures were also built, as well as a trestle bridge 30 metres high and 200 metres long, constructed using cantilever technology. The project was complicated by the hilly terrain and waterlogged ground, which required special ground reinforcement and hydraulic engineering works. The construction of the S6 route is an important change for traffic in the entire Tricity agglomeration, which will reduce traffic jams on, for example, the existing national road and main traffic routes.

### **24 km of new S61 Suwałki – Budzisko route**

Budimex has completed the construction and commissioned a 24-kilometre section of the S61 express route from Suwałki to the border with Lithuania – the Via Baltica. The company has completed 94 kilometres of this route in recent years, out of 130 kilometres in operation. Investment in the open section of the S61 under the ‘design and build’ system began in January 2020. The investor was the General Directorate for National Roads and Motorways Białystok Branch. Budimex has taken over this project from another general contractor. The investment value was PLN 843 million. The scope of work included the construction of the S61 dual carriageway expressway, approximately 24.2 km long, with two road junctions, car parks for travellers and a vehicle control site for road services. The expressway also included two rest and refreshment buildings for passengers with playgrounds for children. In total, thirty-three bridges were built along the entire section.

## **RAILWAY CONSTRUCTION**

### **Upgrade of the E-59 railway line Rokietnica – Wronki section**

Budimex Group has completed works related to the reconstruction of the track systems along with the accompanying infrastructure on the E-59 railway line on the Rokietnica – Wronki section. The 35.14 km-long section is part of the Poznań Główny – Szczecin Główny railway line. PKP Polskie Linie Kolejowe SA is the contract investor. As part of the contract, the scope of modernisation included the track surface, overhead contact line, power, reparation and modernisation of engineering structures as well as reconstruction of platforms, railway crossings and construction of new drainage. Budimex carried out the track work with new traction equipment, using its own machinery. The contract included the creation of a modern, technically advanced 193 m-long bridge over the Warta River in Wronki.

## **GENERAL CONSTRUCTION**

### **Reconstruction of a key stage of the ITC building at the Warsaw University of Technology**

The investment carried out by Budimex included the reconstruction of two wings of the Warsaw University of Technology, as well as the upgrade of the courtyard and the construction of a fire road. The renovation work took place under the supervision of a conservation officer. The net value of the contract amounted to PLN 69.1 million. The project was funded by the Warsaw University of Technology and the Ministry of Science and Higher Education. The eastern wing of the University of Technology was designed to accommodate the teaching and research needs of, for example, the Division of Building Refrigeration and Power Engineering, the Division of Aircraft Engines, the Division of Thermodynamics and the Division of Rational Use of Energy.

The reconstruction made it possible to introduce appropriate functional divisions and a clear communication layout. This involved the separation of new rooms, the organisation of two staircases and a new corridor. At the ground floor level, the rooms in the University of Technology hall were extended by a corridor located along the eastern side of the building. Due to the significant modifications, the project required the removal of existing load-bearing walls and installation of an extra structure to support the new separating floor elements.

### **Extension of the Silesian Planetarium in Chorzów**

Budimex has completed its work on extending the Silesian Planetarium in Chorzów. As part of an investment, worth around PLN 80 million, the company modernised the existing facilities and built a new part of the building together with a viewing tower with a ‘camera obscura’ device used inside, from which it is possible to admire the view of Katowice, Siemianowice Śląskie and Chorzów. The construction work took 34 months. The Planetarium now enjoys more than 3,200 sq.m. of additional space. The old and new parts of the building are now connected by a panoramic passenger lift located at the western wall of the sundial court. During the construction work, Budimex secured the existing foundations of heritage-listed buildings and the excavations. This required complex geoen지니어ing at the interface with the existing building and inside the basement rooms. During the works, the planetarium remained under constant observation through the use of a comprehensive monitoring system.

### **Completion of the first stage of construction of Polfa Tarchomin's oncology drugs factory**

In July, Budimex completed the first stage of works related to the construction of the Polfa SA Oncology Drug Development and Production Centre in Tarchomin. This is a unique project on a national and European scale and, at the same time, the largest investment of Tarchomińskie Zakłady Farmaceutyczne Polfa SA. As part of the contract, Budimex was responsible for completing the building shell. Construction works lasted from November 2021 to June 2022. The new Oncology Drug Development and Production Centre covers three areas: sterile formulation production and R&D and quality control laboratories. The construction work was carried out during a very difficult economic period caused by the war in Ukraine. This situation directly affected the availability and prices of materials and the availability of workers. Despite the challenges arising during the course of the investment, the actions taken together with the ordering party TZF Polfa, the partnership approach to problems and flexibility in decision-making allowed the contract to be implemented successfully.

### **Completion of construction of the Operating Theatre building at the F. Ceynowy Specialist Hospital in Wejherowo**

As part of the contract executed by the Budimex Group, a modern operating theatre building was designed and constructed at the F. Ceynowy Specialist Hospital in Wejherowo. This is the largest investment of 'Pomeranian Hospitals'. The facility was extended by a three-storey building to house, for example, an operating theatre with 7 operating rooms, the Kashubian Centre for Heart Diseases, the Pathomorphology Facility, a postmortem room, the Central Sterilisation Room and the Transfusion Serology Facility, as well as technical premises. The scope of the contract also included the construction of a connector – to connect the newly built part with the existing facility, together with the necessary technical infrastructure and landscaping, as well as a new transformer station. Two lift shafts were built in the existing part of the hospital, including one for the fire brigade. In addition, Budimex supplied most of the medical equipment and furniture. The gross value of the contract is PLN 94.9 million.

### **Completion of the construction of the L. Rydygier Voivodeship Complex Hospital in Toruń**

Budimex Group completed an investment involving the reconstruction and expansion of the L. Rydygier Voivodeship Complex Hospital in Toruń. This is the largest investment project that has taken place in recent years in the field of healthcare in the Kujawsko-Pomorskie Voivodeship, and the facility is one of the largest hospitals in Poland. The total gross amount of the investment is PLN 425 million gross. The scope of the contract included numerous demolitions, the construction of 6 buildings, land development and the construction of technical infrastructure. The entire complex with a total area of 67,425 m<sup>2</sup> consists of a main building, housing 12 wards, an operating theatre with 14 rooms, a hospital emergency ward and a helipad, as well as 5 buildings with hospital wards, a garage, and technical rooms.

### **A modern hall on the premises of the Tram Service Station in Nowa Huta**

The facility is designed to handle all types of trams, including the longest in Poland, the 43-metre-long 'Krakowiak' and the newest, the 'Lajkonik'. The facility's area of 3,000 m<sup>2</sup> allows up to 9 trams to be serviced at the same time and is equipped with state-of-the-art technical solutions. On the roof of the hall, 228 photovoltaic panels have been installed to provide the power required for its operation. The system has been optimised to make maximum use of sunlight, even in those months when it is least available. The cost of constructing the hall is almost PLN 39 million. The modern facility is one of the elements of the just-completed project for the comprehensive upgrade of the Nowa Huta depot. In addition, two retention reservoirs were built on its premises, which guarantee the protection of the station and the surrounding areas from flooding during heavy rainfall. As part of the investment, suitable infrastructure was also built to ensure safe and convenient access to the trams' roofs, where most of the systems are located. The pits, in turn, give employees easy access to the trolleys and wheel sets. In addition, a large, modern waiting area for the drivers enables them to keep their distance and wait comfortably before starting work.

## **ENERGY AND INDUSTRIAL CONSTRUCTION**

### **Goleniów-Ciecierzycze – gas pipeline**

Budimex Group was responsible for the construction of one of the three onshore sections of the Baltic Pipe gas pipeline being built in Poland. The completed Goleniów – Ciecierzycze section is the longest section of the gas main, measuring nearly 122 kilometres, which will enable the supply of natural gas from Norwegian deposits to Poland. As part of the investment, 55 trenchless crossings have been made, including Poland's longest Direct Pipe under the Warta River with a length of 1,400 metres. The gas pipeline runs through 2 voivodeships, 6 districts and 11 municipalities. The signed Contract had a net value of PLN 314.8 million.

## **MOSTOSTAL KRAKÓW SA**

### **Volume object – service building in Kraków**

In September 2022, Mostostal Kraków completed the construction of a service building with office, staff and warehouse space in Kraków, made to the order of KZN Rail Sp. z o.o. As a general contractor, the company carried out the construction of the office and warehouse building, the conversion of the electricity grid to cable and the water supply connection. In addition, it was responsible for decommissioning of the existing systems, securing the tele-technical networks, construction of the sanitary, rain and gas sewage system, internal traffic system with parking spaces, internal roads, public and individual exits, and delivery and installation of an overhead crane.

### **Extension and reconstruction of the existing production hall in Kraków**

In September 2022, Mostostal Kraków completed Stage I of the warehouse redevelopment. The company, as a general contractor, carried out the extension of the hall together with the internal systems (including ventilation, heating, sewage and electrical systems). The office and staff area was extended, and additionally a transformer station building with internal systems was

constructed, as well as an assembly and storage yard with a track crane. The internal road and track layout of the railway sidings was also rebuilt, with the construction of a retaining wall and reconstruction of the lighting.

#### **Delivery and installation of structures for the incineration plant in Dinslaken**

In 2022, Mostostal Krakow delivered and installed approximately 2,200 tonnes of steel structure for the construction of an incineration plant in Dinslaken, Germany, and commissioned the incineration plant with all necessary support systems.

#### **Delivery of the structure for the construction of a waste incineration plant in Slough**

In December 2022, Mostostal Krakow completed the fabrication and delivery of 5,200 tonnes of steel structures for the construction of a waste incineration plant in Slough, UK. The scope of work included the purchase of the material, the fabrication of the structure and its corrosion protection, as well as its protection with fire-retardant paint.

#### **Assembly works – construction of a storage tank**

In August 2022, Mostostal Kraków completed assembly works for the construction of a 32,000 m<sup>3</sup> storage tank at the Nowa Wieś Wielka Fuel Depot, PERN. The works included the installation of approx. 1,100 tonnes of structure. The scope of the task also included pressure/functional testing and participation in the commissioning of the tank.

#### **Platforms and assembly of production devices at the Electrical Battery Component Production Plant at the Umicore plant in Radzikowice.**

As part of the task, the steel structure of the platforms was delivered (approx. 650 tonnes) and mechanical assembly was carried out (approx. 300 tonnes). The scope of work included platforms and the main production devices. Moreover, dehumidifiers were transported and installed. The work was completed in August 2022.

#### **Upgrade of the KGHM Bathtub Hall**

Construction and installation works for the upgrade project of the HMG Bathtub Hall I were completed in January 2022. The task involved replacing the reinforced concrete slab roofing (there was asbestos in the roofing), together with the construction of the roof drainage and the adaptation of the steel structure (girders, purlins, braces) to accommodate the new roofing according to the developed executive designs. The work also included the reconstruction of the building shell using materials adapted to current regulations, and replacement of the systems: roof drainage, lighting, lightning protection, fire protection, and dry risers leading to the roof of the building.

#### **Demolition of KGHM facilities**

In June 2022, Mostostal Kraków completed works related to the partial decommissioning of redundant facilities in the area of the former Lubin Zachodni OZG area – stage I. The subject matter of the order included the creation of as-built documentation and geodetic and as-built inventories with the removal of decommissioned facilities from maps.

### **FBSEWIS GROUP**

In the Gdańsk region, the FBSeewis Company maintains more than 210 roads including sections of the S6 road (the Tricity ring road) and the S7 (including the southern ring road of Gdańsk). The duration of this contract spans from 2021 to 2023, although the company has been executing contracts in this area continuously since 2016.

The company performs year-round (current and winter) maintenance of over 90 km of the S5 motorway and over 45 km of the A2 motorway, from the Modła junction to the Dąbie junction in the Wielkopolskie Voivodeship. Contracts for this scope of work were signed in 2022 for a period of four years.

The FBSeewis Group has been operating in the field of municipal waste management from residential properties in the Capital City of Warsaw since 2021 and Łódź since 2016.

The FBSeewis Group has been operating a municipal waste collection and management service from the area of the Municipality and City of Rzeszów. The contract has been in place continuously since 2013.

The FBSeewis Group provides collection and management of waste from residential properties in the Municipality of Łądek-Zdrój. The contract was signed in April 2022 and will be carried out by the company until April 2024.

FBSeewis Wrocław, which is part of the FBSeewis Group, has been taking care of the cleanliness and tidiness in Wrocław's Stare Miasto and Krzyki districts in summer and winter since 2017.

The FBSeewis Group provides maintenance services for the Port of Gdańsk, one of the largest facilities of its kind located on the Baltic Sea. The port is an important element of the Trans-European Transport Corridor I, which connects South-Eastern Europe with the Scandinavian countries. The contract has been in place since 2014.

The FBSeewis Group provides maintenance services for the Koga Office Centre, located within the PCI Pomeranian Investment Centre. The first contract was signed in 2015 and has been in place intermittently. The current contract is valid from September 2021 to May 2023.

The FBSeewis Group is involved in the construction of the monitoring system and lighting system for the Poznań Palm House and Thomas Woodrow Wilson Park, together with the connection of the Palm House building to the metropolitan network of the city of Poznań. The contract was carried out in 2022.

## **2.4. Value chain of the Budimex Group**

### **[GRI 2-6]**

Budimex Capital Group provides a wide range of construction and assembly services performed under the general contracting system in Poland and abroad. It is also involved in production and offers design services, machine and laboratory rentals, municipal waste management, comprehensive road maintenance and building maintenance services.

The companies of the Budimex Group operate on the Polish, German, Slovakian and Czech markets. A list of the most important operations – contracts and activities of the Capital Group companies, is provided in Chapter 2.3.

### **Sectors of activity of the Capital Group companies**

As part of their construction activities, Budimex SA, Budimex Kolejnictwo SA and Budimex Budownictwo Sp. z o.o. carry out tasks in all market segments, starting from road, bridge, railway and hydrotechnical infrastructure, through housing facilities, to complex power and industrial projects.

The most common types of entities in the Budimex SA value chain are:

1. Contractors of construction works
2. Suppliers of construction materials
3. Construction machinery service suppliers
4. Fuel and energy suppliers
5. Suppliers and service suppliers in support processes

Both public and private entities participate in the contracts performed by Budimex SA.

Mostostal Kraków SA specialises in the execution and assembly of steel structures and devices for the cement and lime, energy, metallurgy and chemical industries, as well as offering design services. Mostostal Kraków sells its goods on the Polish market and supplies steel structures to customers abroad. In 2022, the company's constructions were shipped to Germany, the UK, France, Hungary and Greece.

The most common types of entities in Mostostal Kraków SA's supply chain are:

1. Suppliers of metallurgical materials and steel structures
2. Installation work suppliers
3. Suppliers of steel structure assembly services
4. Companies providing hourly employee hire services
5. Suppliers of building materials and scaffolding

Customers of Mostostal Kraków SA include both private and public entities:

1. Cement mills
2. Industrial enterprises (e.g. metallurgical plants, chemical plants, power plants, fuel terminals)
3. Municipal transport companies and railway plants
4. Foreign customers for which mainly deliveries of steel structures are carried out (energy companies, bridge companies, incineration plants)

The companies of the FBSeis Group, as part of their activities, deal with waste management, provide comprehensive services for the maintenance of road infrastructure and the management of lighting infrastructure and building maintenance.

The most common types of entities in the FBSeis supply chain are:

1. Suppliers of waste management services – mainly waste treatment and waste transport, including collection
2. Construction service suppliers
3. Suppliers of services performed with vehicles, machinery and specialised equipment
4. Suppliers of vehicle, machinery and specialised equipment rental services
5. Fuel and energy suppliers
6. Material suppliers
7. Suppliers and service suppliers in support processes.

Customers of FBSeis Group Companies are public and private entities, including, in particular: road administrators, local governments (cities, municipalities, districts), retail chains, logistics and distribution centres, building owners/administrators, and

individual customers (including entrepreneurs of various scales of activity, including micro-entrepreneurs) in the field of waste collection.

Budimex Bau GmbH started acquiring construction contracts on the German market in 2021, and under the newly established entities – Budimex Construction Prague s.r.o. and Budimex Slovakia s.r.o. – the Group is expanding its activities, including on the Czech and Slovak markets.

Budimex Slovakia and Budimex Construction Prague have no significant operating activities in 2022.

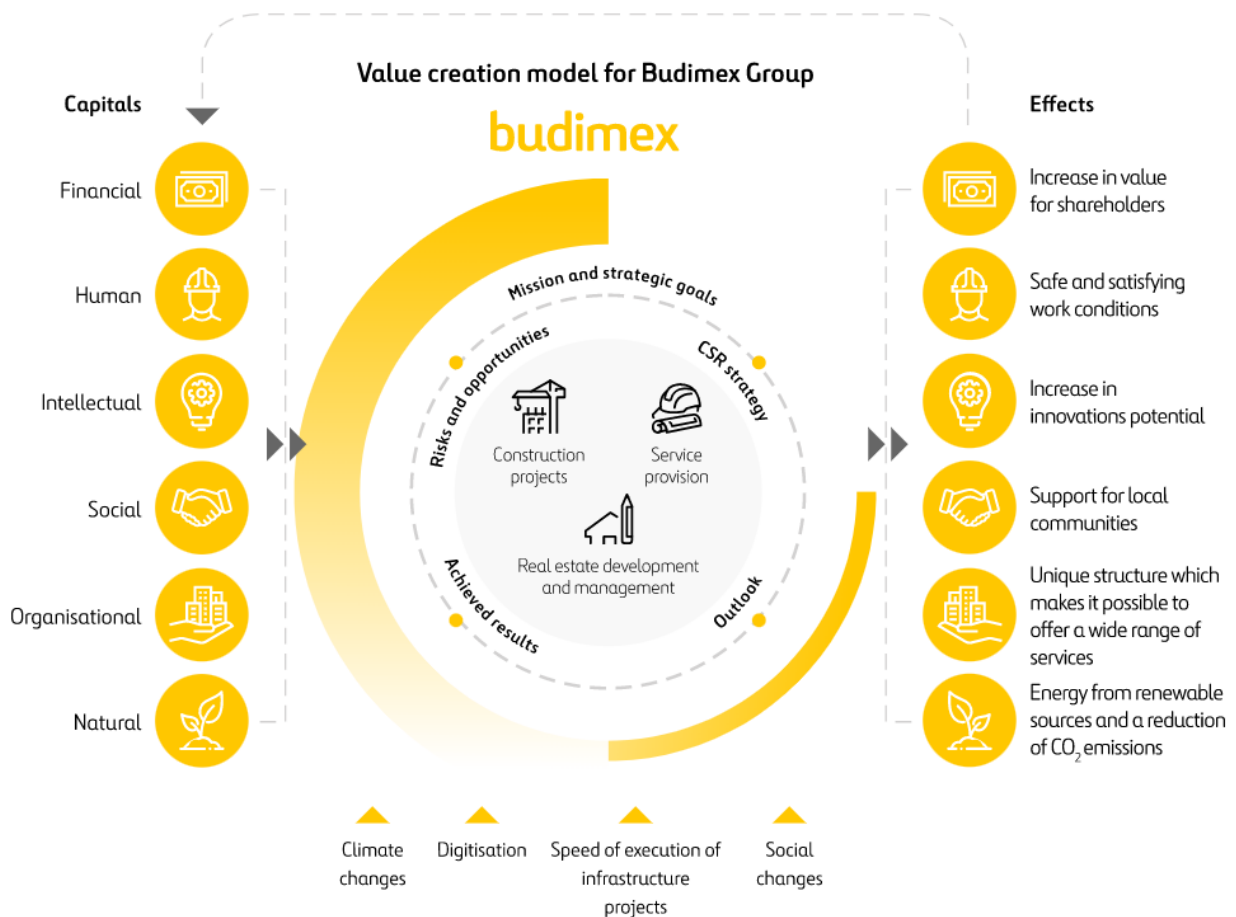
Circular Construction SA is a new company in the Budimex Capital Group, which was established in 2022 and operates in the field of broadly understood recycling: collection, storage and processing of waste for reuse. The company’s area of particular interest is construction waste.

In 2022, Budimex acquired 100 per cent of the shares of Magnolia Energy, a company with a business model of generating green energy from RES through a wind system. The company’s main service suppliers are actors in the purchase, supply and installation of wind turbines and a supplier of civil works accompanying the construction of wind farms.

**Significant business relationships**

Ferrovial Group, which owns 50.14 per cent of the Budimex Group, is a key strategic partner of the company. The Spanish Group emphasises sustainable development, supported by a portfolio of long-term, high-quality investments. The long-standing cooperation provides Budimex with unique opportunities for growth and the exchange of expertise.

In 2022, the Budimex Group entered into agreements on business cooperation with partners from the energy sector – Bechtel and Westinghouse (USA), as well as Doosan (South Korea) and Boygues Travaux Publics SAS (France). Budimex has also established a business relationship with Elocity for the provision and management of vehicle charging station sites.





## 2.5. Structure of the Capital Group

[GRI 2-2]

Structure of the Capital Group as at 31 December 2022:

### **Budimex SA – Parent Company**

#### **Consolidated companies:**

- Budimex SA
- Mostostal Kraków SA – 100% of shares
- Mostostal Kraków Energetyka Sp. z o.o. – 100% of shares (indirectly through Mostostal Kraków SA)
- Budimex BAU GmbH – 100% of shares
- Budimex Budownictwo Sp. z o.o. – 100% of shares
- Budimex Kolejnictwo SA – 100% of shares
- Budimex Parking Wrocław Sp. z o.o. – 51% of shares
- Budimex Most Wschodni SA (special purpose vehicle)
- FBSerwis SA – 100% of shares
- FBSerwis A Sp. z o.o. – 100% of shares (indirectly through FBSerwis SA)
- FBSerwis B Sp. z o.o. – 100% of shares (indirectly through FBSerwis SA)
- FBSerwis Karpatia Sp. z o.o. – 100% of shares (indirectly through FBSerwis SA)
- FBSerwis Wrocław Sp. z o.o. – 100% of shares (indirectly through FBSerwis SA)
- FBSerwis Dolny Śląsk Sp. z o.o. – 100% of shares (indirectly through FBSerwis SA)
- FBSerwis Odbiór Sp. z o.o. – 100% of shares (indirectly through FBSerwis SA)
- FBSerwis Kamieński sp. z o.o. – 80% of shares (indirectly through FBSerwis SA)
- FBSerwis Paliwa Alternatywne sp. z o.o. – 100% of shares (indirectly through FBSerwis SA)
- JZE Sp. z o.o. – 100% of shares (indirectly through FBSerwis SA)
- Circular Construction SA – 100% of shares (indirectly through Budimex Most Wschodni SA)
- Magnolia Energy sp. z o.o. – 100% of shares
- Zakład Przetwarzania Odpadów Zawisty sp. z o.o. – 100% of shares (indirectly through FBSerwis SA and JZE Sp. z o.o.)
- RailBX GmbH – 100% of shares
- Budimex Slovakia s.r.o. – 100% of shares
- Budimex PPP SA – 100% of shares (since 2023 Budimex Mobility SA)
- Fotowoltaika HIG XIV sp. z o.o. – 100% of shares

#### **Other companies with the participation of Budimex SA**

- Budimex A sp. z o.o. – 100% of shares (special purpose vehicle)
- Budimex C sp. z o.o. – 100% of shares (special purpose vehicle)
- Budimex D sp. z o.o. – 100% of shares (special purpose vehicle)
- Budimex F sp. z o.o. – 100% of shares (special purpose vehicle)
- Budimex H sp. z o.o. – 100% of shares (special purpose vehicle)
- Budimex I sp. z o.o. – 100% of shares (special purpose vehicle)
- Budimex J sp. z o.o. – 100% of shares (special purpose vehicle)
- Budimex K sp. z o.o. – 100% of shares (special purpose vehicle)
- Budimex M sp. z o.o. – 100% of shares (special purpose vehicle)
- Budimex N sp. z o.o. – 100% of shares (special purpose vehicle)
- Budimex O sp. z o.o. – 100% of shares (special purpose vehicle)
- Budimex P sp. z o.o. – 100% of shares (special purpose vehicle)
- Budimex R sp. z o.o. – 100% of shares (special purpose vehicle)
- ConVentures Sp. z o.o. – 100% of shares (special purpose vehicle)
- Przedsiębiorstwo Napraw Infrastruktury Sp. z o.o. in bankruptcy liquidation – 100% of shares (indirectly through Budimex Kolejnictwo SA)
- Budimex SA – Cadagua SA III – s.c. – 99.9% of contributions
- Budimex SA – Cadagua SA IV – s.c. – 99.9% of contributions
- Budimex SA – Cadagua SA V – s.c. – 99.9% of contributions
- Budimex SA – Sygnity SA – general partnership – 67% of contributions
- Budimex SA – Ferrovial Agroman SA 2 – s.c. (special purpose vehicle), (95% of contributions)
- Budimex SA – Technicas Reunidas SA – Turów s.c. (50% of contributions)
- ASI 1 ConVentures sp. z o.o. SKA – 100% of shares
- Budimex Construction Prague s.r.o. – 100% of shares

Shareholding structure to the Company's knowledge as at 31 December 2022:

1. Ferroviar Construction International SE – 50.14%
2. Nationale Nederlanden OFE – 9.22%
3. Second Allianz Polska Otwarty Fundusz Emerytalny – 8.51%
4. Other shareholders – 32.13%

In January 2023, the Company received from Powszechnie Towarzystwo Emerytalne Allianz Polska SA ('**PTE Allianz Polska SA**') information on the merger of PTE Allianz Polska SA with Aviva Powszechnie Towarzystwo Emerytalne Aviva Santander SA pursuant to art. 492(1)(1) of the Commercial Companies Code and Article 67 of the Act on the Organisation and Operation of Pension Funds, as a result of which the share in the share capital and the total number of votes at Budimex SA in the accounts of the funds managed by PTE Allianz Polska SA increased to 2,689,466 shares, representing 10.53% of the share capital.

According to the information received, the funds managed by PTE Allianz Polska SA have the following share in the share capital of Budimex SA:

Allianz Polska Otwarty Fundusz Emerytalny and Allianz Polska Dobrowolny Fundusz Emerytalny – 2.03%  
Second Allianz Polska Otwarty Fundusz Emerytalny – 8.51%

## **2.6. Management of the Capital Group**

### **[GRI 2-10]**

The process of appointing the Supervisory Board is regulated in the Company's Articles of Association and the Regulations of the Supervisory Board of Budimex SA. The President of the Management Board and, upon his or her request, the Vice-Presidents and the other members of the Management Board are appointed and dismissed by the Supervisory Board for a joint term of office of three years.

The process of appointing the Supervisory Board is regulated in the Company's Articles of Association and the Regulations of the Supervisory Board of Budimex SA. Members of the Supervisory Board of Budimex SA are appointed by the General Meeting for a joint term of office of 3 years. The Board elects from among its members a chairperson and, if necessary, vice-chairpersons and a secretary of the Board.

The Diversity Policy of the Supervisory Board of Budimex SA introduces a minimum level of representation of each gender in the selection process of 30 per cent of all candidates, if such persons are represented among the candidates to the Supervisory Board and their competences are at least equal to those of other candidates. When evaluating candidates for appointment to the Supervisory Board, the General Meeting undertakes to take into account only objective criteria, including diversity criteria, bearing in mind, however, that the primary task of the General Meeting is to ensure that the Board's composition includes persons with the competencies, skills, knowledge and experience necessary to properly perform the supervisory function in a public company, including in the committees of the Supervisory Board.

When appointing members of the Supervisory Board, the General Meeting takes into account in particular the need to ensure that the Board is composed of persons with knowledge and experience in the industry in which the Company operates, as well as in accounting or auditing.

The General Meeting attaches particular importance to ensuring at least the minimum required participation in the Supervisory Board of persons meeting the independence criteria set out in the Act on Statutory Auditors, Audit Firms, and Public Supervision and the regulations on corporate governance of listed companies.

### **Composition of the Management Board**

#### **[GRI 2-9] [GRI 2-11]**

Composition of the Management Board as at 31 December 2022:

- Artur Popko – President of the Management Board, Chief Executive Officer
- Jacek Daniewski – Member of the Management Board, Chief Legal and Organisational Officer
- Artur Pielech – Member of the Management Board, Chief Executive Officer of FBSerwis SA
- Marcin Węglowski – Member of the Management Board, Chief Financial Officer

### **Changes in the structure of the Management Board**

On 14 December 2022, the Supervisory Board appointed the following persons to the Management Board of Budimex SA with effect from 1 January 2023:

- Anna Karyś-Sosińska,
- Cezary Łysenko,
- Maciej Olek.

## Composition of the Supervisory Board

### [GRI 2-9]

Composition of the Supervisory Board as of 31 December 2022:

- Marek Michałowski – Chairman of the Supervisory Board
- Juan Ignacio Gaston Najarro – Vice-Chairman of the Supervisory Board
- Igor Adam Chalupec – Secretary of the Supervisory Board
- Janusz Dedo – Member of the Supervisory Board
- Artur Kucharski – Member of the Supervisory Board
- Danuta Dąbrowska – Member of the Supervisory Board
- Dariusz Blocher – Member of the Supervisory Board
- Ignacio Aitor Garcia Bilbao – Member of the Supervisory Board
- Mario Manuel Menendez Montoya – Member of the Supervisory Board

In the course of 2022, the Ordinary General Meeting of Budimex SA appointed, on 19 May 2022, the Supervisory Board for a new eleventh term. As of the date of the Ordinary General Meeting of Budimex SA, Jose Carlos Garrido-Lestache Rodriguez ceased to serve as a member of the Supervisory Board, as a result of the expiry of the aforementioned person's mandate as a member of the Board and in connection with the failure of the Ordinary General Meeting to appoint him to serve on the Supervisory Board for a new term. At the same time, on 19 May 2022, the Annual General Meeting appointed Mario Manuel Menendez Montoya to serve as a member of the Supervisory Board. Mario Mostoles Nieto resigned from his position on the Supervisory Board on 8 November 2022.

The Supervisory Board is composed of experienced managers, engineers and academics (in the fields of law, economics, banking, auditing), who poses a significant advantage for the Company due to the potential expansion of the powers of the Management Board and the possibility of obtaining information and guidance from the Supervisory Board in specialised areas. Full details of the educational backgrounds and career paths of the members of the Supervisory Board are published on the Company's website.

## Committees of the Supervisory Board

Within the Supervisory Board of Budimex SA, there are three Committees with the following compositions.

### Audit Committee:

The composition of **the Audit Committee** as at 31 December 2022 was as follows:

- Danuta Dąbrowska – Chairwoman of the Committee
- Janusz Dedo – Member of the Committee
- Ignacio Aitor Garcia Bilbao – member

During 2022, the composition of the Audit Committee did not change. In connection with the appointment of the Supervisory Board for a new eleventh term of office by the Ordinary General Meeting of Budimex SA on 19 May 2022, the Supervisory Board on the same date established the existing composition of the Audit Committee.

As far as the independence of the members of the Audit Committee criteria are met, the provisions of Article 129 (3) of the Act of 11 May 2017 on statutory auditors, audit firms and public supervision, as well as the criteria of independence of the members of the Board within the meaning of 'Good Practices of Companies Quoted at the Warsaw Stock Exchange 2021'.

The independence status of a member of the Supervisory Board is determined by the company in accordance with the criteria determined in Operating Instruction no. IO-01-07-02 on obtaining information from Supervisory Board members and publishing them on the basis of declarations submitted by members of the Board and on the basis of Article 129 (3) of the Act of 11 May 2017 on statutory auditors, audit firms and public supervision.

The composition of the **Investment Committee** as at 31 December 2022 was as follows:

- Janusz Dedo – Chairman
- Dariusz Blocher – Member of the Committee
- Ignacio Aitor Garcia Bilbao – member

During 2022, the composition of the Investment Committee did not change. In connection with the appointment of the Supervisory Board for a new eleventh term by the Ordinary General Meeting of Budimex SA on 19 May 2022, the Supervisory Board on the same date determined the composition of the Investment Committee as before.

The composition of the **Remuneration Committee** as at 31 December 2022 was as follows:

- Marek Michałowski – Chairman of the Committee
- Dariusz Blocher – Member of the Committee
- Igor Chalupec – Member of the Committee

During 2022, the composition of the Remuneration Committee changed. In connection with the appointment on 19 May 2022 by the Ordinary General Meeting of Budimex SA of the Supervisory Board for a new, eleventh term, the Supervisory Board on the same

day established the composition of the Remuneration Committee as before, i.e. a composition of four members (Dariusz Blocher, Igor Chalupec, Marek Michałowski, Mario Mostoles Nieto). However, due to the resignation from the Supervisory Board submitted on 8 November 2022 by Mario Mostoles Nieto, he also ceased to hold a position within the Remuneration Committee.

### **Remuneration policy**

**[GRI 2-19][GRI 2-20]**

The remuneration policy implemented at Budimex SA **meets all requirements under the law to ensure** the company's development.

The company's adopted remuneration practices assume that diversity is ensured in the working environment and that the best qualified employees can be attracted and retained by means of a tailored package including base salary, bonuses and attractive additional benefits.

The remuneration principles are regulated at Budimex SA by:

- Remuneration Policy for members of the company authorities of Budimex SA
- Collective Bargaining Agreement and Bonus Regulations

### **Key assumptions included in the policies**

- The assumptions of the implemented remuneration policy are based on ensuring the long-term sustainable development of the Budimex Group. The remuneration and benefits package at Budimex is an offer of competitive total remuneration. It is shaped taking into account the quantity and quality of work provided and in a way that motivates the achievement of ambitious results and translates into the achievement of the company's strategic goals. The Company also attaches great importance to building a remuneration package that ensures a lasting relationship between employees and the Group.
- The Supervisory Board performs its supervisory functions with regard to the remuneration of key individuals through the Remuneration Committee (REMCO), which meets a minimum of once every quarter and addresses topics related to, for example, remuneration.
- The remuneration of Management Board members consists of a fixed and a variable part, awarded on the basis of an assessment of the performance of the Group's development tasks and the effectiveness of their work. Management Board members benefit from a package of fringe benefits and compensation related to the termination of employment contracts. The Company applies competition bans. These benefits are offered at market level.
- The remuneration does not include elements covering clawback.
- The remuneration of the members of the Supervisory Board consists of a fixed portion and does not include components that depend on Group performance.
- The Company examines market levels of remuneration, both in relation to the remuneration of Management Board members, Supervisory Board members and key personnel. The level of remuneration is appropriate to the objective of attracting, retaining and motivating the various management and supervisory functions.

The individual incentive systems are tailored to the specifics of the specific business areas with the assumption that the main task of these systems is to ensure the achievement of the company's business objectives and the development of employees.

- The incentive system for Management Board members consists of an assessment of the individual objectives set for each member at the beginning of the year. The bonus for a given employee, paid out once a year, is triggered on the condition that the company meets the annual targets set by the Supervisory Board (financial and sales targets). Its amount is also influenced by the level of goal fulfilment and the result of the employee's periodic evaluation.
- The incentive system for key personnel is based on the assessment of individual objectives that are set for their representatives at the beginning of the year. In addition, in the case of production staff, the system is determined by the degree of completion of the contract in question, i.e. progress and financial result, as well as the result of the employee's periodic evaluation. Managerial staff have their payout triggered by fulfilling area or company objectives.

Remuneration for the CEO and Management Board members is determined by the Supervisory Board, taking into account the recommendations of the Remuneration Committee (REMCO). This committee recommends a remuneration policy for Management Board members. The policy is described in the Remuneration Policy adopted by the General Meeting of Shareholders. Based on this policy, the REMCO recommends individual terms and conditions within the remuneration packages for each Management Board Member to the Supervisory Board. The REMCO has a supervisory role with regard to the remuneration determination process.

The Company publishes a remuneration report on the remuneration of persons in management and supervisory roles on an annual basis. This report goes to the General Meeting of Shareholders, where shareholders can comment on the remuneration policy.

## **Management of sustainable development in the Budimex Group**

### **[GRI 2-12] [GRI 2-13] [GRI 2-14] [GRI 2-16] [GRI 2-17] [GRI 2-18]**

At Budimex SA, comprehensive supervision of the implementation of ESG activities has been assigned to the entity of the Purchasing, Quality and Environmental Protection Office.

Responsibility for the implementation of activities in specific ESG areas has been assigned to divisions representing key areas at Budimex, according to their competences:

Area E – Purchasing, Quality and Environmental Protection Office

Area S – Human Resources Management Division

Area G – Legal and Organisational Division.

The assessment of the effectiveness of activities in overseeing the management of the organisation's impact on sustainability issues in 2022 was made on the basis of a review of the indicators of the current CSR Strategy 2021–2023.

In 2022, no communications on sustainable development in the Budimex Group were submitted to the Supervisory Board.

In the due diligence processes in place at the Budimex Group, the Supervisory Board and Management Board perform a strategic and qualitative oversight function and monitor the effectiveness of the processes. In addition, the Management Board and the Supervisory Board are the final authority in the Group's mechanisms for whistleblowing and dealing with irregularities. Issues related to the supervision of due diligence processes are the responsibility of the Director of the Legal and Organisational Division.

The Management Board is informed in regular communication about the results of conducted due diligence processes, including key risks, including non-financial risks, and cases of non-compliance with regulations and internal conduct guidelines.

The Management Board comments on and makes recommendations for improvements to the due diligence processes during regular reviews that follow communication on ESG activities.

The Management Board of Budimex SA takes key decisions affecting the strategic directions of the Group in line with the principles of sustainable development. It is also the Management Board's responsibility to approve strategic plans in this area.

In 2022, no violations of a critical nature were reported through Compliance communication channels.

In 2022, the Management Board of Budimex SA did not engage in direct dialogue with stakeholders, while being promptly informed on matters of importance in this regard.

In 2022, work was carried out on the ESG strategy with regard to, inter alia, the governance pillar. As part of this work, the objectives and actions of the various parts of the strategy (ethics, conflict of interest management, cyber security, anti-corruption, internal audit, risk management system) were established, the areas in which the established actions are required, the scopes of these actions, the deadlines and the measures for evaluating their implementation were defined.

A communication framework for the strategy was also prepared. Compilation of the assumptions of a new code of ethics and a special procedure on conflict of interest was prepared, and training was held for all newly hired employees within the framework of the 'Welcome to the Group' programme and the 'Selected elements of security management of Budimex SA' training course for the Management Board of Budimex SA, the subject matter of which was, for example: employee abuse in the investment process, unfair competition in the construction industry, corruption, giving and accepting gifts, and issues concerning sponsorship, good anti-corruption practices (especially during the process of obtaining public orders), and the risk of collective entity liability. This training kicked off a series of training sessions that are to continue for individual employee groups.

Both the Supervisory Board and Management Board are successively expanding their knowledge, skills and experience in the field of ESG. Executives received relevant ESG training in 2022. The main training topics were:

- EU Green Deal and its impact on corporate information disclosure
- EU taxonomy – the first classification system for sustainable business activities
- Reporting obligations from Budimex Group's perspective from 2022 onwards (financial year 2021)
- Turnover, CapEx and OpEx – an overview of the three KPIs of the taxonomy
- Identification of taxonomy-eligible activities from a Budimex Group perspective
- Reporting obligations from a Budimex Group perspective from 2023 (financial year 2022) onwards
- Discussion of sample technical criteria required from a 2022 analysis perspective

### **Diversity at the top management levels**

The Diversity Policy has been in place at the Budimex Group since September 2016, and in November 2016 the organisation signed the Diversity Charter, thus joining the 150 companies in Poland that took part in the Responsible Business Forum initiative. In June 2021, the Group Policy in this area was updated. It defines the direction for the effective management of diversity in the Group. As one of the largest employers in Poland, Budimex Group is guided by the principles of respect for all people, their equal treatment, use of the employees' potential and counteracting all forms of discrimination, believing that it brings measurable benefits and affects the development and innovation of the organisation, as well as the creation of a friendly social environment.

The Diversity Policy in the Budimex Group focuses on:

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

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

## **2.7. Quality management**

The Integrated Management System applicable at Budimex S.A ensures the fulfilment of the principle of due diligence with regard to quality management. The Integrated Management System includes a quality management system in accordance with PN-EN ISO 9001, an environmental management system PN-EN ISO 14001, an occupational health and safety management system in accordance with PN-EN ISO 45001, an energy management system PN-EN 50001, an information security management system PN-ISO/IEC 270001 and a quality assurance system based on the requirements of the NATO standard AQAP 2110. Ensuring the highest quality of services constitutes part of Budimex SA's core values.

Uniform quality procedures apply to all contracts executed by the Company. Certificates and subsequent accreditations are the result of the work of many people involved in ensuring the highest quality of the contracts performed.

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

In 2022, ongoing control of the quality of works and construction materials at all stages, including in the context of the safety of building structures, was exercised by a total of 21 laboratory entities. The Budimex S.A laboratory offers customers a wide range of services in all areas of construction. Based on its competence and experience, it provides support in taking care of the quality of projects: infrastructure, railway, cubature as well as power and industrial projects. It uses the latest research methods and expertise in its work. In 2022, the analyses carried out were expanded to include, for example, the measurement of road surfaces using GPR (Ground Penetrating Radar). Budimex S. A's laboratory is accredited by the Polish Centre for Accreditation (AB 1414) for compliance with the PN-EN ISO/IEC 17025:2018-02 standard. Last year, accreditations were extended to include testing of the alkaline reactivity of aggregates. There are currently 53 test methods within the scope of accreditation. Laboratory activities also include activities related to innovation, e.g. participation in the NCBiR-funded programme entitled 'Compilation and implementation of innovative technology for high durability self-repairing asphalt pavements'.

## 2.8. Key non-financial performance indicators

The key non-financial performance indicators in the breakdown below are monitored at the Capital Group level.

Table No. 1 Key non-financial performance indicators

	Unit	Budimex Group			
		2020	2021	2022	year-on-year change
<b>Personnel area</b>					
Number of employees	No.	7,273	6,939	7,022	1.2%
Total number of accidents at work among the employees	No.	134	110	86	-21.82%
Average number of training hours per employee	hours	12.1	15.2	14.4	-5.8%
<b>Social area</b>					
Amount of donations	PLN thousand	4,094	1,889	2,177	15%
<b>Environmental area</b>					
Total electricity consumption	MWh	27,634.24	23,814.1	28,075.3	17.9%
Scope 1+2 market-based GHG emissions	Mg CO <sub>2</sub> e	109,883.6	88,274.9	71,316.5	-19.2%
Total water consumption	m <sup>3</sup>	199,509.2	145,588.2	215,085.1	The scope of monitoring has been extended
<b>Counteracting corruption and human rights area</b>					
Number of corruption incidents confirmed	No.	0	0	0	-
Number of confirmed cases of human rights violations	No.	0	0	0	-

## 2.9. Key financial results in 2022

[GRI 201-1]

Table No. 2 Key financial results

PLN thousand	Budimex Group	
	2021	2022
Net revenues from sale of products, services, goods and materials:	7,911,192	8,619,054
Gross profit on sales:	833,797	872,443
Operating profit:	587,085	562,427
Gross profit:	554,496	648,934
Net profit on continued operations	465,946	548,129
Net profit on discontinued operations:	520,508	0
Net profit:	986,454	548,129
Net profit attributable to the parent company's shareholders:	971,603	534,443
Budimex Group's order portfolio at the end of the year	12,976,720	13,289,995
Value of contracts signed by the Budimex Group in a given year	7,001,813	7,879,136

## 2.10. Awards and distinctions in 2022

In 2022, the Budimex Group received the following awards and distinctions:

**Top Builder 2021** – Budimex won the prestigious Top Builder Prize for building PKN Orlen's R&D Centre in Płock.

**Award of the Year of the Federation of Polish Entrepreneurs – Leader of Sustainable Development** – an award given for Budimex's environmental protection, closed loop economy, low carbon and social activities.

**Construction Company of the Year** – award granted by the jury of the Infrastructure and Construction Diamonds competition. The committee includes engineers and construction managers from such organisations as: Warsaw University of Technology, Institute of Roads and Bridges, Railway Research Institute, Polish Economic Chamber of Road Building and Maintenance and Polish Chamber of Civil Engineers.

**'Construction of the Year 2021' Awards** – commonly referred to as the Oscars of the construction industry. The Polish Association of Construction Engineers and Technicians awarded the best, in terms of engineering construction sites in Poland completed in 2021. The following investments made by Budimex were distinguished:

- R&D centre of PKN ORLEN in Płock
- The Sybir Memorial Museum in Białystok
- 'ZASPA WITA' in Gdańsk
- Wiślany Mokotów estate, stage V
- Construction of stage B 'OLYMPIC' as part of the 'Mińska 69' housing estate in Warsaw
- NIEMENA multi-family residential building with a garage hall together with road and technical infrastructure in Poznań
- Fredry 6 investment in Krakow – Stage II (Consortium of: Budimex SA, Przedsiębiorstwo Budowlano-Handlowo-Transportowe 'Edmund Leś' companies)

**Top Brand** – once again, Budimex has won the title of the strongest brand in the construction industry category in the Top Brand 2022 ranking. At the same time, it took 66th place in the classification of 500 brands, ahead of companies such as Nike, T-Mobile and Volvo. Thus, Budimex climbed up two places in the ranking, compared to last year's result.



**Construction Brand of the Year** – in the opinion of construction subcontractors, Budimex has been recognised as a company that offers the best conditions. This is according to a study published in June, which was conducted in the first quarter of this year by ASM Centrum Badań Analiz i Rynku. In the survey, in which more than 300 companies from across the country participated, Budimex ranked first among the top ten general contractors and among the companies recommended as a partner for cooperation. The company was also awarded the title of best business partner in terms of financial conditions and payment terms.

**Upgrade of 2021** – award for the modernisation of the historic PKP SA railway station in Białystok.

**CSR White Leaf of the Polityka weekly** – an award granted by the Polityka weekly, Deloitte and the Responsible Business Forum for sustainable development activities.

## 2.11. Membership in organisations

### [GRI 2-28]

As part of its participation in the associations/organisations indicated below, the Budimex Group obtains knowledge of challenges concerning a particular segment on the construction market. It participates in dedicated meetings, conferences and programme boards and shapes the policies of the associated companies. The Budimex Group has the opportunity to signal the key development directions for its areas and, in cooperation with the associations, represents a strong voice in discussions with decision-makers and legislators in specific sectors of the construction industry. In 2022, Budimex joined associations from new areas such as alternative fuels, electromobility and renewable energy sources. Budimex also became a member of the Chamber of Railways, and joined the Road Chamber in Slovakia.

The Budimex Group belongs to the following associations/organisations:

- Business Centre Club (BCC)
- Federacja Przedsiębiorców Polskich (Federation of Polish Entrepreneurs)
- Izba Gospodarcza Energetyki i Ochrony Środowiska (Polish Chamber of Power Industry and Environment Protection; IGEiOŚ)
- Izba Gospodarcza Transportu Lądowego (Polish Land Transport Chamber of Commerce; IGTL)
- Ogólnopolska Izba Gospodarcza Drogownictwa (National Chamber of Commerce of Road Construction; OIGD)
- Polski Związek Pracodawców Budownictwa (Polish Association of Construction Employers; PZPB), in which the Budimex SA representative acts as a Member of the Management Board
- Polskie Stowarzyszenie Wykonawców Nawierzchni Asfaltowych (Polish Asphalt Pavement Association; PSWNA), in which the President of the Management Board of Budimex SA acts as the Vice-President
- Polsko-Hiszańska Izba Gospodarcza (Polish-Spanish Chamber of Commerce; PHIG)
- Railway Business Forum (RBF)
- Stowarzyszenie Emitentów Giełdowych (Polish Association of Issuers; SEG)
- Polsko-Niemiecka Izba Przemysłowo-Handlowa (Polish-German Chamber of Industry and Commerce)
- ITS Polska
- Polskie Stowarzyszenie Paliw Alternatywnych (Polish Alternative Fuels Association)
- Polskie Stowarzyszenie Energetyki Wiatrowej (Polish Wind Energy Association), in which a representative of Budimex SA is one of the members of the Association's General Meetings and, having the right to vote, shapes the rules of cooperation binding in the organisation
- Polska Izba Producentów Urządzeń i Usług na Rzecz Kolei (Polish Chamber of Manufacturers of Devices and Services for Railways)
- Zväz Stavebných Podnikateľov Slovenska
- Polska Izba Konstrukcji Stalowych (Polish Chamber of Steel Structures),
- Polsko-Skandynawska Izba Gospodarcza (Polish-Scandinavian Chamber of Commerce)
- Polska Rada Facility Management (Polish Council of Facility Management)
- Polskie Stowarzyszenie Zarządzania Kadrami (Polish Association of Human Resources Management)
- Polska Izba Gospodarki Odpadami (Polish Chamber of Waste Management)
- Pracodawcy RP (Polish Employers)

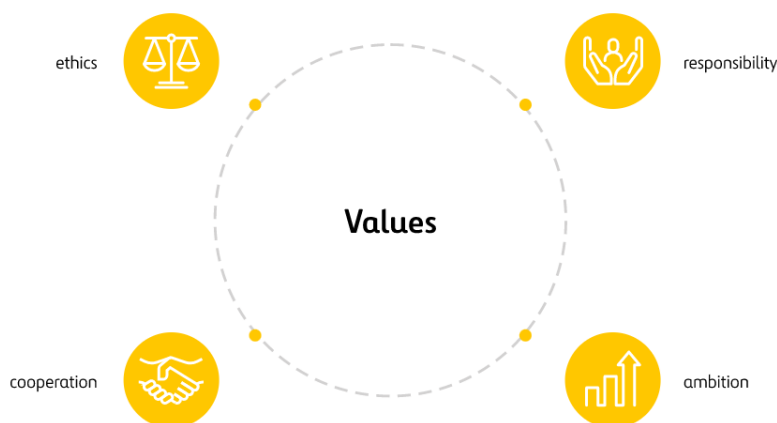
### 3. Strategy of the Budimex Group

#### 3.1. Values of the Budimex Group

The Management Board of Budimex SA undertakes actions aimed at the continuous growth of the company's value for all shareholders and defines directions of development, although it has not formalised it in the form of a strategy document. In the perspective of the next financial year, the Budimex Group's activities will be focused on increasing the margins of the held portfolio of orders and gaining new profitable construction contracts, including on foreign markets. In the long-term, the Management Board of Budimex SA will aim to diversify the activities of the Budimex Group in terms of both the construction segment (e.g. increasing the presence in the railway and hydrotechnical market segments) and the service segment (managing new fractions of precipitation and increasing processing capacity), as well as the development of renewable energy sources (RES) activities by building its own portfolio of RES systems.

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

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



Budimex strives to continuously develop and achieve the best results. The organisation is oriented towards new, more ambitious and complex goals. The dynamic business and economic environment even forces us to act even faster, even more efficiently and oriented towards further successes. In order to function efficiently, Budimex has a specific set of attitudes, behaviours and skills called the competence model, which corresponds to current business and social requirements. According to the competency model, each station is described by 4 key competencies: inspiring trust, cooperation, results orientation and nurturing innovation, as well as job competencies specific to each grade level. Each competence is described by specific behaviours, making them more easily discernible in everyday work, which in turn enables conscious efforts to improve them.



### 3.2. Our contribution to the UN 2030 Agenda for Sustainable Development

In 2022, Budimex joined the Partnership for the Sustainable Development Goals. The 2030 Agenda is the world’s development strategy until 2030, with 17 Sustainable Development Goals divided into 5 areas: people, planet, prosperity, peace and partnership. Budimex is implementing the following Sustainable Development Goals:



### 3.3. CSR strategy for 2021–2023

[TCFD\_4c]

The Budimex Group, bearing in mind the needs of local communities and the environment, is guided in its activities by the principles of sustainable development. The aim of ‘Budimex’s CSR Strategy for 2021–2023’ is to increase the company’s positive impact on society and the environment and reduce its negative impact in accordance with accepted definitions of corporate social responsibility and sustainable development. ‘Budimex’s CSR strategy for 2021–2023’ has been developed into 6 key areas of responsibility:

- We ensure the highest standards of health and safety at work
- We reduce the negative impact on the environment and climate
- We care about employee development and job satisfaction
- We focus on the highest quality and innovation
- We counter abuse
- We engage in dialogue and support local communities

#### Level of implementation of CSR Strategy activities in 2022

The current Strategy in the area of sustainable development, i.e. Budimex Group’s CSR Strategy for 2021–2023, adopts targets for implementation in the six relevant areas included in the classification of ESG issues. Throughout 2022, the Budimex Group has maintained the assumed level of a number of adopted indicators, thus fulfilling the assumptions of the strategic goals, especially in the context of due diligence, ethics and health and safety. As part of the issue of tackling climate change, Budimex is successively adapting to the challenges facing the global population both by investing in energy transformation and developing internal adaptation tools, as well as meeting new requirements for sustainable financing.

- **We ensure the highest standards of health and safety at work**

In 2022, the Budimex Group recorded a decrease in the accident severity rate to 0.17, compared to the 0.32 recorded in 2021. The accident frequency rate remained at 3.9, a level similar to the previous year. The Budimex Group takes a diligent approach to accident prevention, as evidenced by the achievement of the target for additional first-aid training for people on contracts (398 people in 2022, representing 303% of the 2021 level). As part of its strategic tasks, the Budimex Group implements measures to take care of employee wellbeing. In 2022, 2,956 Group employees participated in the offer of mental health training and support, with 1,370 employees participating in a minimum of one event (671 people participated in one event, 699 people participated in

more than 1 event). Since July, the organisation has provided 2 hours of time with an on-call psychologist available to employees each week – that is, 8 hours per month. In 2022, more than 30 on-call events have taken place since July. There have also been 32 events – webinars, trainings, courses – to strengthen mental health and to raise awareness and build balance.

- **We are reducing our environmental and climate impact**

Over the course of 2021 and 2022, the Budimex Group carried out a climate risk analysis to support other climate change adaptation activities. The categorisation of risks, threats and opportunities used in the analysis is based on TCFD guidelines. Budimex SA has developed corporate objectives and policies related to climate change mitigation. As part of its efforts to adapt to climate change, investments were made in renewable energy sources, electrification of the vehicle fleet and new machinery and devices. Measures were taken to implement closed-loop policy solutions through the compilation of a methodology for the recovery of construction waste. As part of the objective related to sustainable raw materials, activities were carried out to maximise the use of asphalt technology using asphalt granules. In addition, as part of environmental due diligence, meetings and discussions were held with business partners on low-carbon and innovative products available on the Polish market.

- **We care about employee development and job satisfaction**

The Budimex Group runs a number of development programmes aimed at both existing staff and students taking their first steps in the construction sector. Throughout 2022, 279 apprentices have benefited from Budimex's offer. We have organised 85 educational events aimed at future employees in the construction sector. As part of our approach to providing equal employment opportunities, we are monitoring and successively reducing inequalities and the pay gap. In 2022, Budimex Group has calculated an adjusted pay gap of: -1.9%.

- **We focus on the highest quality and innovation**

Budimex is committed to the highest quality of the services provided. The implementation of the objective to continuously improve the quality of services is monitored by the Quality Control indicator, the level of which was 96.9% in 2022, which is a 2 p.p. improvement on 2021. This level meets the quality target for Budimex for 2022. Budimex met a number of Innovation Zone targets in 2022, with 147 innovation projects reported over the past year, of which 18 were implemented.

- **We counter abuse**

In 2022, training was provided to newly recruited employees as part of the 'Welcome to the Group' programme. As part of the training, key compliance issues were presented, including the importance of compliance for the Company's operations, a discussion of the current Compliance Policy, the relevant areas of materialisation of legal risks in the area of compliance, i.e. corruption, conflict of interest and fraud, and on the Company's existing compliance communication channels. In November 2022, a training course was organised for Management Board Members entitled 'Selected Elements of Security Management at Budimex SA', which covered such issues as:

- employee abuse in the investment process
- unfair competition in the construction industry
- corruption
- giving and accepting gifts as well as sponsoring issues
- good anti-corruption practices, especially during the procurement process
- risk of liability of a collective entity

This training kicked off a series of training sessions that are to continue in 2023 for individual employee groups.

As part of the due diligence processes in place at the Budimex Group, a key element is the monitoring of the effectiveness of the processing of reports. In 2022, there were no reported and confirmed violations of ethical standards.

- **We engage in dialogue and support local communities**

In 2022, the Budimex Group met all its objectives regarding dialogue and cooperation with local communities, conducting, for example, 3 permanent information campaigns dedicated to the company's good practices in the social and environmental areas. In 2022, 24 dialogue sessions were held with stakeholders, which depended on their needs for the ongoing contracts, as well as a number of information campaigns for local communities on specific projects. Throughout 2022, 3 CSR Committee meetings were held to oversee the level of implementation of sustainable development tasks in the Budimex Group. Employees of the Budimex Group in 2022 were involved in a number of pro-social and volunteer projects – over the period of 2022, the involvement of 87 volunteers within the framework of employee volunteering was reported.

In addition, the implementation of the individual qualitative objectives set out in the CSR Strategy is achieved by carrying out the activities described in the thematic chapters.

## 4. Importance of information in the report and risk management

### 4.1. Methods of determining the importance

[GRI 3-1]

Non-financial issues relevant to the Budimex Group’s activities were identified in the process of formulating the CSR Strategy 2021–2023 and other ESG-related strategic plans. The areas of activity in which the Budimex Group has strategic objectives form the basis for determining materiality, including in the other sustainability processes within the Budimex Group.

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

### 4.2. Important stakeholders

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

The Budimex Group cares about building long-term relationships with important stakeholders, based on the values followed by the Group in every activity. The CSR Committee set up by the Group ensures that communication with key stakeholders is conducted transparently and on the basis of open dialogue. Budimex encourages stakeholders to share their insights, and uses the resulting conclusions in development processes that make the company more dynamic and sustainable. The form of communication is selected appropriately for the specific nature and needs of the stakeholder group and communication possibilities which can be limited due to e.g. restrictions related to the COVID-19 pandemic. In its communication, the Budimex Group attaches great importance to transparently informing stakeholders about its activities in the area of sustainable development.

The identified significant stakeholders of the Budimex Group are:

**Table No. 3 Relevant stakeholders of the Budimex Group**

Stakeholder group
Employees and social partners (full-time employees, students and potential employees, former employees, trade unions, employees of subcontractors and suppliers, labour inspection and other similar supervision authorities).
Investors (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.

Dialogue with stakeholders at Budimex is the responsibility of the Communications and Public Relations Office, the CSR Committee and the Strategic Analysis Office. The frequency and form of contact are adapted to the needs and relations with the respective group.

### 4.3. Relevant issues

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

Table No. 4 Significant issues in the Budimex Group

Environmental issues	Essence of the impact	Ways of managing the issue
Level of greenhouse gas emissions	<p>The Budimex Group's impact in this area is related to the stage of execution of a given contract at Budimex SA and the ongoing operating activities in the other companies of the Group. The level of emissions also depends on the amount of fuels burned and the volume of electricity and heat purchased.</p> <p>Greenhouse gas emissions are directly related to the issue of climate change. For more information on the risks stemming from these changes, see <b>Climate Risks Analysis</b>.</p>	<p>In Budimex SA, the area is managed as a result of the implementation of the CSR Strategy 2021–2023 objective. The reduction of emissions is influenced, for example, by the purchase of energy from renewable sources, investments in renewable energy sources and the introduction of emission-free mobility solutions.</p> <p>The level of emissions in the other companies of the Budimex Group is managed by optimising the consumption of fuels and energy for current works, and investments in electromobility.</p> <p>Detailed information on the management of the area can be found in the subsections <b>Fuels and energy</b> and <b>Reduction of greenhouse gas emissions</b>.</p>
Level of water consumption	<p>Water is abstracted for domestic purposes of the Company's employees and service suppliers and is consumed as raw material in production and technological processes.</p> <p>The demand and actual consumption of water resources depend to a large extent on the nature and stage of the implementation of contracts on which construction works are carried out in the balance sheet period.</p>	<p>Reduction is achieved through rational water consumption and as a result of rainwater recovery.</p> <p>Monitoring of water consumption on contracts is successively being extended.</p> <p>Detailed information on water is published in the subsection <b>water resources protection</b>.</p>

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

	related to the management of security within contracts.	has detailed policies defining the framework of conduct in the area of occupational health and safety. Health and safety indicators are monitored and analysed. Based on the conclusions from statistics and accidents, preventive and corrective actions are implemented.
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<b>Issues in the management field</b>	<b>Essence of the impact</b>	<b>Ways of managing the issue</b>
Quality of the construction services provided	The impact is generated by control of the quality of the services provided.	The issue is monitored with the use of a dedicated quality indicator within the CSR Strategy for 2021–2023. The issue management includes quality control processes.
Innovations	The potential impact within this issue includes a wide range of ESG aspects that could be covered by activities within innovation projects.	This issue has been included in the CSR Strategy for 2021–2023. Activities in the area covered by the issue focus on innovative pilot projects conducted with the use of the Budimex Group's own resources and with the participation of partners and start-ups.



#### 4.4. Significant risks

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

The main document regulating the area of risk identification in the Budimex Group is the Risk Control and Management Policy in the Budimex Group. It is supported by a number of instructions and procedures governing specific aspects related to the risk identification process. The risk identification system in the Budimex Group consists of the annual, semi-annual, quarterly and monthly reviews. The Budimex Group identifies risks in order to take them into account in building its development strategy. They constitute an important factor in its definition, therefore, in accordance with the currently adopted direction of the Group's development, the aim is to diversify the order portfolio as widely as possible to be able to ensure constant growth of the Budimex Group's profitability.

The following significant risks were identified in the review of risks for 2022:

Table No. 5 Material risks in the Budimex Group

L.P.	Risk	Risk description	Risk mitigation methods	Risk trends
1.	Downturn in the construction market in Poland	Possible postponement or reduction of funding for infrastructure and railway investments. High inflation. Increase in construction production costs. Increase in fuel and energy prices.	Expansion into new foreign markets. Diversification of activities in Poland, entry into new areas of activities, including the renewable energy market.	
2.	Climate changes	Risks associated with the global climate change.	The analysis of climate risks has resulted in ongoing actions by Budimex directed at minimising its negative impact on the climate, including: <ul style="list-style-type: none"> <li>investing in our own renewable energy sources</li> <li>electrification of the car fleet</li> <li>the search for alternative raw materials, including recycled ones</li> <li>transparent communication about Budimex's climate impact</li> <li>implementation of the UN Sustainable Development Goals – Agenda 2030 selected and adapted to the Company's activities</li> </ul>	
3.	Regulatory changes in the area of ESG and compliance	The organisation's need to adapt to EU directives in its areas of activity.	Structures have been established and responsibilities have been defined in the implementation of ESG activities. Budimex monitors changes regarding ESG reporting on an ongoing basis.	
4.	Cyber threats	The risk stems from the global escalation and increasingly sophisticated forms of cyber attacks.	Implementation of actions based on ongoing risk assessment. Building employee awareness. Implementation of a security operations centre (SOC). Implementing security based on Microsoft cloud solutions.	
5.	Occurrence of a serious/fatal accident	Specificity of the business.	The Budimex Group has implemented an Action Plan concerning the prevention of accidents. It determines the framework for actions aimed at appropriate dissemination of knowledge of OHS issues and implementation of best practices in this area. There is ongoing monitoring of compliance with health and safety procedures on contracts. Digitisation of control. Implementing the Risk Radar tool to identify contracts potentially at risk of accidents.	
6.	Loss of goodwill	Carrying out projects that have a significant impact on the environment and hinder the daily lives of local communities.	Building a communication strategy, identifying stakeholders and key communication channels. Proactive response to reputation and image threats emerging online. The Company's diligent compliance with its obligations to keep the market updated on significant events concerning the company which are relevant from an investor point of view. Developing various forms of stakeholder dialogue	

Background under the arrows: risk level taking into account the control mechanisms in place; **very serious**, **serious**, **moderate**

Year-on-year risk trend:





## 5. Due diligence and human rights

[GRI 2-23] [GRI 2-24] [GRI 2-25] [GRI 2-26] [GRI 2-27] [GRI 206-1] [GRI 406-1]

This section describes the due diligence procedures within the Budimex Group. This section of the report is a summary of the existing policies and procedures in this area, as well as the Group's impact on human rights and other relevant topics highlighted in the OECD Guidelines for Multinational Enterprises.

By including the above information, we aim to make it accessible to its recipients, especially stakeholders looking for ways to raise concerns or doubts within the Budimex Group.

The information published in this chapter corresponds with the assessment of the Budimex Group's compliance with the Minimum Safeguards.

Some of the documents mentioned in this chapter, including but not limited to procedures and instructions, are internal in nature.

More information on the Budimex Group's activities can be found in other sections of the report, as well as in the dialogue processes conducted with local communities.

In 2022, two environmental administrative fines – each of PLN 10,000 (PLN 20,000 in total) – were imposed on us by a final decision.

### 5.1. Policy and management commitments

In all areas of activity, the Budimex Group is committed to:

- respect and observe human rights,
- avoid significant negative impacts on human rights,
- conduct appropriate due diligence processes in relation to the entities with which it interacts.

The Budimex Group undertakes to respect the rights and provisions defined in the following internationally recognised documents:

- Universal Declaration of Human Rights
- International Charter of Human Rights
- UN Guiding Principles on Business and Human Rights
- OECD Guidelines for Multinational Enterprises

The Budimex Group creates a working environment where ethical conduct is respected and promoted and where employee diversity is an asset. Any discriminatory behaviour or in any other way violating established ethical principles is not accepted at Budimex.

The Budimex Group responds appropriately to changes on the labour market, taking them into account as factors in the risk research and adjusting its system regulating the framework of ethical conduct.

**The Principles for the Protection of Human Rights** is an internal document of the Ferrovial Group. The objective of the document applicable to the entire Ferrovial Group is to raise the awareness of human rights in the company and to increase its possibilities in the scope of resolving problems related to this issue.

The principles commit to non-discriminatory actions that promote equal opportunities, to recognising the value of diversity, and to respecting the prohibition of child and forced labour and freedom of association and the right to collective bargaining.

The obligations specified in this document apply to all employees, customers, suppliers and contractors who are in relationships with the Group.

The principles described in the document stem from the provisions of the Universal Declaration of Human Rights and the ILO (International Labour Organization) conventions – 'Declaration of Fundamental Principles and Rights at Work'.

The '**Code of Ethics**' and the '**Compliance Policy**' constitute documents that ensure the protection of human rights at the operational level in everyday work.

The '**Code of Ethics**' document is a reference point for the ethical behaviour of Budimex Group employees.

It defines the Group's values: Ethics, Cooperation, Responsibility, Ambition.

The Code also indicates the conditions for acting in accordance with the organisation's values and the areas where ethics should be followed in a special way. This section describes the rules and guidelines of conduct in the specified types of relationships and in the areas of the Budimex Group's impact.

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

The Code is an internal document to which employees of the Budimex Group have access.

### **Ethics in the supply chain**

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

## **5.2. Commitment to respect the human rights of employees: International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work**

The Budimex Group applies due diligence to ensure respect for human rights in the organisation and in the case of entities with which it remains in relationships.

The Budimex Group is committed to respecting the principles relating to fundamental rights at work contained in the eight ILO Core Conventions set out in the 'Declaration on Fundamental Principles and Rights at Work'.

The Budimex Group has a publicly available policy containing a commitment to respect the provisions of the ILO Declaration on Fundamental Principles and Rights at Work in its business relationships.

The document 'Rules of conduct for contractors of Budimex SA' is available at: <https://www.budimex.pl/pl/kontrahenci/zasady-postepowania-dla-kontrahentow>

The document regulating the scope of due diligence in the prevention of forced labour and detailed descriptions of respect for the areas regulated by the ILO Declaration are the Principles of Human Rights Protection addressed to employees, customers, suppliers and contractors with whom the Budimex Group works.

The policy including the prohibition of forced labour and child labour is implemented through the following actions:

- prohibition of all types of discrimination in employment and occupation,
- support and promotion of human rights,
- security guarantees and respect for human rights,
- freedom of association and collective contract.

The Group ensures full, undisturbed freedom of the operation of trade unions: Multi-Employer Trade Union Organisation of NSZZ 'Solidarność' and 'Budowlani' Trade Union. The Group has the Company Collective Bargaining Agreement.

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

## **5.3. Commitment to conduct corrective actions**

The Budimex Group undertakes to:

- act on its own or to cooperate on corrective actions for the benefit of entities, e.g. employees and communities, where the Group has or contributes to a negative impact in the area of human rights,

The process of dealing with corrective actions is carried out in accordance with the practices adopted by the Budimex Group as described in the documents in the area of Ethics.

## **5.4. Embedding respect for human rights in the company's culture and management systems**

Budimex Group:

- clearly defines the responsibility of the company bodies for human rights within the company, and organises the day-to-day responsibility in this regard in the relevant internal functions,
- uses resources and expertise to manage human rights on an ongoing basis in its operations and business relationships,
- identifies human rights risks and impacts on an ongoing basis, including when triggered by key events in the company's operations (e.g. policy change, market entry, new projects). This includes stakeholder engagement, including in particular groups exposed to negative impacts as part of the process of identifying risks and impacts.

## **5.5. Responsibilities and resources involved in the daily management of human rights topics**

The Budimex Group assigns responsibility at the level of the company's bodies and individuals from specific operating units for the implementation and decision-making in the area of human rights.

The provisions of the Code of Ethics are guarded by the Ethics Committee. The Committee's role is to monitor the compliance of applicable standards of professional ethics with the provisions of the Code of Ethics. The Commission investigates breaches of the Code of Ethics and provides guidance on compliance with the principles contained therein, while maintaining standards of confidentiality.

The Ethics Committee consists of persons nominated by the President of the Budimex Management Board:

- Director of the Human Resources Management Division,
- Chief Legal Officer,
- Director of the Office of Internal Control.

The Compliance function has been separated at Budimex SA, FBSerwis SA, and Mostostal Kraków SA. These companies have adopted a Compliance Policy on the basis of Management Board resolutions and create their own internal regulations in this respect.

In any necessary case related to the management of relevant human rights issues, provision is made for consultation between Budimex and the subsidiaries, e.g. in terms of exchanging experiences and sharing knowledge, e.g. in terms of adapting internal regulations to the whistleblower directive.

## **5.6. Identification and assessment of risks and impacts related to human rights**

The Budimex Group has a process in place to identify risks and impacts covering the topic of human rights in relation to its own operations and significant business relationships, including in key elements of the supply chain. The Group has an appropriate procedure in place in this regard to allow for their regular monitoring.

Risk management is carried out on the basis of the internal procedure 'PO-01-06 – Risk Management Procedure'. It includes stakeholder consultations involving internal experts representing the various business areas.

Dialogue with the relevant stakeholder at risk of negative impacts is undertaken reactively and on an individual basis – through the contract communication process, which is described in the Policy for Cooperation with Local Communities.

In addition, there is regular communication with trade unions.

Entities identify risks and compile a risk register – in accordance with Appendix 8-01.

Human rights risks are identified in terms of formal and legal solutions, personal data protection, information protection, protection of employee rights and occupational health and safety, in the area of purchasing, as well as in operational activities on executed contracts.

The procedure for regular identification of risks and impacts on human rights is automatically triggered when new business relationships are established.

Budimex has a due diligence process in place for entities defined as consortium partners.

Business partners complete a syndicate partner questionnaire – constituting Appendix 'IO-01-05-11-Z01' to Operational Instruction No. IO-01-05-11 'Business partner due diligence'.

In the contract templates used, Budimex reserves the right to verify the contractor's application of the 'Rules of conduct for contractors of Budimex SA'.

## **5.7. Actions and implementations in connection with the assessment of human rights risks and impacts**

Responsibilities for specific risk areas are assigned at the level of experts, managers and directors. It is their responsibility to identify risks from the risk register and to assess and prioritise them – taking into account the involvement of stakeholders, including groups exposed to negative impacts.

The procedure integrates the results of the assessment of human rights risks and impacts with the procedure for prevention or remediation actions in case of identified significant negative impacts on human rights.

The Budimex Group has in place, covering its supply chain, a system to prevent and mitigate impacts and implement remediation actions for significant human rights impacts:

- The subcontractor undergoes a pre-qualification process, e.g. in terms of employment and contractual conditions,
- During the qualification process, the subcontractor confirms that it respects labour rights, which is verified at a later stage of the cooperation,
- Employees of subcontractors are subject to verification that they have attended either periodic or initial health and safety training, thus confirming proper employment practice with subcontractors,
- Construction sites and other entities are audited by an independent Internal Audit Office,
- Subcontractors' activities in terms of the need to respect human rights are regulated by internal regulations and contracts, including in the document 'Rules of conduct for contractors of Budimex SA' and in the Code of Ethics.

The Budimex Group conducts its activities and establishes business relations with respect to the principles of fair competition.

Verification of compliance with the law and the absence of human rights violations is also carried out in cooperation with external stakeholders, e.g. border guards.

No negative impacts on human rights or other violations in this area have been identified, detected or reported under the existing risk and impact assessment system.

## **5.8. Monitoring and communication of human rights impacts**

Budimex Group monitors and evaluates the effectiveness of its response to human rights threats and impacts and uses this information to continuously improve its processes and systems. This includes involving stakeholders and vulnerable groups in assessing the effectiveness of any actions taken – based on Instruction ‘IO-01-05-09 Working with local communities on contracts’. With regard to customers and local communities, the Budimex Group does not allow any form of discrimination and undertakes to provide information about its activities in a fast and transparent manner.

An internal quarterly report on notifications is produced based on data from the whistleblowing system. Risk reviews, including risks and impacts on human rights, are also reported as part of non-financial reporting.

## **5.9. Complaint mechanisms and remedies**

**The system for reporting violations is described in the following internal documents:**

- Instruction – Principles for dealing with suspected breaches of the Compliance Policy and for countering breaches,
- Compliance Policy,
- IO-01-05-09 Cooperation with Local Communities on contracts.

### **Complaint mechanisms for employees**

Budimex has an extensive whistleblowing system through which all employees can raise complaints or concerns, including on human rights issues.

As part of Budimex’s employee training, a special session is scheduled to address compliance issues and discuss channels for reporting perceived violations and irregularities. The following Compliance communication channels are provided at Budimex:

- compliance emergency telephone number (+48 789 404 104),
- e-mail addresses: [compliance@budimex.pl](mailto:compliance@budimex.pl) and [etyki@budimex.pl](mailto:etyki@budimex.pl),
- an electronic platform for anonymous reporting,
- the possibility of a personal meeting with the Compliance Officer.

Other reports, e.g. in the form of letters sent directly to the President of the Management Board or Members of the Management Board of Budimex SA, are forwarded directly to the persons responsible for handling them.

The reporting person can remain anonymous and is assured that they are not at risk of any business consequences as a result of their report.

The platform for the anonymous receipt of whistleblower reports provides secure two-way communication about the report. Once made, the whistleblower receives an acknowledgement and a report number. After an internal investigation, the whistleblower is informed about its outcome.

Whistleblowing is not used to undermine the role of legitimate trade unions and other equivalent employee organisations in resolving labour disputes. Nor do they prevent or impede access to courts or other non-judicial mechanisms for handling complaints and reporting violations.

The Compliance Area Legal Director liaises with the Compliance Committee and/or the Office of Internal Control and reviews each report in detail with confidentiality.

Each case of violation is recorded in writing and includes recommendations or guidelines for further action by the organisational unit concerned.

**FBSerwis** strives to maintain the highest standards of operations, which is why it has created the possibility to report any irregularities concerning its operations via a confidential and secure channel for receiving reports or in writing to: FBSerwis SA, ul. Siedmiogrodzka 9, 01-204 Warsaw with the annotation COMPLIANCE.

At **Mostostal Kraków SA**, all breaches of ethical behaviour or incidents of mobbing or discrimination should be reported to a dedicated e-mail box: This box is operated by the Compliance Policy Coordinator at Mostostal Kraków SA, who handles the registration and processing of applications together with the Compliance Committee, which includes Members of the Management Board of the Company.

Over the course of 2022, no cases of discrimination were reported through internal channels. During the reporting period, there were no instances of material fair competition violations.

In addition, the compliance training started in the year prior to the reporting period continued. Training issues are described in the chapter **Employee Issues in the Budimex Group**.

### **Complaint mechanisms for third parties**

Stakeholders of the Budimex Group may contact the Budimex Group to consult on any ethics and good relations issues through existing communication channels with the Group.

The Budimex Group takes due care of any information obtained in this way, which is passed on to the persons responsible for Compliance in each case.

### **Negative influence management**

The Budimex Group cooperates in the area of corrective actions. The scope of negative impact prevention activities takes into account changes in systems, processes (e.g. human rights due diligence processes) and internal procedures. These actions are intended to ensure that similar negative influence does not occur in the future.

Each whistleblowing report is analysed and, if confirmed, appropriate action is taken against the offenders. Appropriate recommendations are also made in the area where it occurred.

Procedures of conduct containing commitments to carry out corrective actions taking into account the Minimum Safeguards are described in the following Budimex Group documents and policies.

- Counteracting mobbing and discrimination,
- Compliance Policy,

Principles for dealing with suspected breaches of the Compliance Policy and for countering breaches

## **5.10. Anti-corruption**

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

In implementing the OECD Guidelines for Multinational Enterprises, the Budimex Group adopted an Anti-Corruption Policy containing:

- a commitment to countering the phenomenon of corruption,
- regulation of internal control in the area of anti-corruption – including the establishment of a system for reporting violations,

a commitment to anti-corruption training aimed at preventing and detecting potential corruption incidents, rules for dealing with violations and removing their consequences.

The Anti-Corruption Policy equips the employees of the Budimex Group with clearly defined rules of conduct aimed at avoiding corruption incidents. The centrepiece of the activities conducted by the Budimex Group in this area is the adopted principle of zero tolerance for corruption.

In connection with the risk analyses conducted in the Budimex Group, the following areas potentially exposed to the occurrence of corruptive phenomena have been identified:

- obtaining and concluding subcontracts,
- relations with Investors,
- relations with construction authorities.

The identification of corruption risks is performed as part of the ongoing risk identification process described in the subsection on identifying risks as part of due diligence processes. In the year for which this non-financial report is submitted (started 1 January 2022, ended 31 December 2022), no incidents of corruption were reported via Compliance's internal communication channels.

### **Significant events between the end of the reporting period and the date of publication of this Report**

1. In accordance with the information published in Current Report No. 6/2023 on 2 February 2023. The Management Board of Budimex SA informed that – according to the information obtained from FBSerwis SA – the President of the Management Board of FBSerwis SA has been charged in the proceedings conducted by the Regional Prosecutor's Office in Katowice. At the current stage of these proceedings, according to the information obtained, the above-mentioned person remains in custody, the process is underway and there is no decision on possible temporary arrest. The above-mentioned Member of the Management Board of FBSerwis SA performs at the same time the function of a Member of the Management Board of Budimex SA. Information provided to Budimex indicates that the case in connection with which the proceedings are pending is not related to and does not concern the operating activity of Budimex SA.
2. In accordance with the information published in Current Report No. 8/2023 on 3 February 2023. The Management Board of Budimex SA, with reference to Report No. 6/2023 of 02 February 2023, informed that – according to the information obtained from FBSerwis SA – a decision on the application of a preventive measure in the form of temporary arrest for a period of 2 months was issued with regard to the President of the Management Board of FBSerwis SA.

3. In accordance with the information published in Current Report No. 9/2023 on 6 February 2023. The Management Board of Budimex SA, with reference to Report No. 06/2023 of 02 February 2023 and No. 08/2023 of 03 February 2023, informed that the Management Board of FBSerwis SA decided to suspend the President of the Management Board of FBSerwis SA for a period of 2 months. The same decision was taken by the Supervisory Board of Budimex SA.
4. In accordance with the information published in Current Report No. 15/2023 on 20 March 2023. The Management Board of Budimex SA informed that, according to the information obtained, the preventive measure mentioned in Current Report No. 8/2023 dated February 3, 2023 against the President of the Management Board of FBSerwis SA has been repealed.

The topic of corruption is discussed during 'Welcome to the Group' training sessions organised for newly hired employees. During the training, issues related to corruption and internal regulations aimed at counteracting it and implementing the 'zero tolerance' principle adopted in the Company are discussed.

- In November 2022, a training course was organised for Management Board Members entitled 'Selected Elements of Security Management at Budimex SA', which covered such issues as:
- employee abuse in the investment process
- unfair competition in the construction industry
- corruption
- giving and accepting gifts as well as sponsoring issues
- good anti-corruption practices, especially during the procurement process
- risk of liability of a collective entity

This training kicked off a series of classes that are to continue in 2023 for individual employee groups.

### **5.11. Management of conflicts of interests**

One of the important areas in the Budimex Group is the management of conflicts of interests, which takes place through the application of appropriate policies. Conflict of interest management is also an important issue in Area S (Social) of the Budimex Group CSR Strategy 2021–2023.

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

- Rules for participation in sponsored events and other activities that may involve a conflict of interest.
- giving and receiving gifts,
- Rules for informing about the employment of persons related to the employee.

Conflict of interest issues are discussed as part of compliance training conducted at Budimex SA. In order to effectively manage the risk related to conflicts of interests, the Group plans further works on policies and guidelines for employees whose objective is to minimise the risk of occurrence of negative effects of conflicts of interests.

## 6. Compliance with the European Union Taxonomy

### 6.1. What is the EU Taxonomy?

The EU Taxonomy is a classification system that establishes criteria that an economic activity must meet in order to be considered environmentally sustainable. The task of the Taxonomy is to guide investments by companies within the European Union towards more sustainable investments in order to support the Union's climate and broader environmental policy objectives in the 2030 horizon and beyond. The taxonomy provides companies, investors and policymakers with appropriate definitions of environmentally sustainable activities. In this way, it helps to protect companies and investors, for example, from greenwashing.

In accordance with the Taxonomy<sup>1</sup> (systematics) Regulation, the Group discloses in its annual report:

- Percentage share of turnover derived from products or services related to environmentally sustainable activities
- Percentage share of capital expenditure (CapEx) corresponding to assets or processes related to environmentally sustainable activities
- Percentage share of operating expenses (OpEx) corresponding to assets or processes related to environmentally sustainable activities

In determining whether an activity is environmentally sustainable, it is necessary to examine whether it meets all four prerequisites:

- The activity makes a significant contribution to one or more environmental objectives
- The activity does not cause serious harm to any environmental objective
- The activity is conducted in accordance with Minimum Safeguards
- The technical eligibility criteria are met

The environmental objectives mentioned are:

1. Climate change mitigation
2. Adaptation to climate change
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration of biodiversity and ecosystems

The detailed requirements for the calculation and disclosure of the above indicators are set out in the Commission Delegated Regulation (EU) 2021/2178<sup>2</sup>, the so-called Article 8 Delegated Act.

### 6.2. Process for testing compliance with the Taxonomy

A four-step process was followed to investigate compliance with the taxonomy:

#### 1. Identification

The stage consisted of reviewing all activities carried out by the Budimex Group and the group's subsidiaries and determining whether, and if so, which activities qualify for the taxonomy. The revenue generated by the companies, capital expenditure and operating expenses were reviewed. Their descriptions in the appendices of Commission Delegated Regulation (EU) 2021/2139 were used to identify the various activities, which were compared to the activities actually carried out. If the description of the activities was not sufficiently clear, the NACE taxonomy was used.

#### 2. Allocation

The stage consisted of allocating the values of turnover, capital expenditure and operating expenses to the individual activities identified in the first stage. Details of the allocation methods used are described in the *Accounting Policies* chapter.

#### 3. Verification

The stage consisted of two types of research:

- For all identified activities, an examination of the material contribution and non-major damage criteria using the Technical Eligibility Criteria as set out in the appendices of Commission Delegated Regulation (EU) 2021/2139 was carried out. Details of the assessment are presented in the Verification of compliance with the Technical Eligibility Criteria section.
- An assessment of whether the Minimum Safeguards are met has been carried out. Details of the assessment are set out in the Minimum Safeguards section.

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<sup>1</sup>Regulation (EU) 2020/852 of the Parliament and of the Council of 18 June 2020 on establishing a framework to facilitate sustainable investments

<sup>2</sup> Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by clarifying the content and presentation of the information on environmentally sustainable business activities to be disclosed by companies subject to Article 19a or 29a of Directive 2013/34/EU and specifying the method to comply with this disclosure obligation

#### 4. Calculation

This stage consisted of using the resulting information from stages two and three to produce tables containing the required information and compiling this supporting information, as required in Appendices I and II of Commission Delegated Regulation (EU) 2021/2178.

The process was carried out with the participation of the Purchasing, Quality and Environmental Protection Office, the Controlling Office, the Contract Managers and, where appropriate, with the participation of representatives of Group companies.

#### **Verification of compliance with the Technical Eligibility Criteria**

Verification of compliance with the Technical Eligibility Criteria was carried out for selected activities eligible for the systematisation and consisted in analysing the individual criteria of significant contribution and no significant damage and verifying the extent to which the activity complies with the Technical Eligibility Criteria set out in Annexes I and II to Commission Delegated Regulation (EU) 2021/2139<sup>3</sup>, as extended by Commission Delegated Regulation (EU) 2022/1214<sup>4</sup>. The Group carried out the taxonomy study on the basis of a representative group of projects, i.e. for activities for which turnover represented a significant value to the Group's total turnover, the Technical Eligibility Criteria were audited, and for activities for which turnover did not exceed a significant value, the Technical Eligibility Criteria were not audited and the activity was considered eligible for the taxonomy but not in compliance with it. In addition, for activities for which an examination of compliance with the Technical Eligibility Criteria was carried out and it was found that the criterion of no significant contribution was not met, no examination of the criteria of no serious damage was carried out.

The main types of activities carried out in the Group are those included in the systematisation as 6.14 Infrastructure for rail transport and 7.1 Construction of new buildings

The Technical Eligibility Criteria compliance survey was carried out in the period from October 2022 to December 2022 by the Budimex SA Purchasing and Quality and Environmental Office with the cooperation of people on individual contracts. The survey used tools in the form of compliance checklists obtained from the Ferrovial Group which is the majority investor in the Budimex Group. The analysis was carried out on a representative group of contracts within each activity. In this way, for each activity, the percentage of turnover, CapEx and OpEx compliant with the Technical Eligibility Criteria was established, which are reported in the tables in this section of the non-financial report.

#### **Verification of compliance with the Minimum Safeguards**

Pursuant to Article 18 of Regulation 2020/852:

*'The Minimum Safeguards referred to in Article 3(c) are the procedures to be followed by the business enterprise to ensure compliance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the International Labour Organization Declaration on Fundamental Principles and Rights at Work and the principles and rights set out in the International Bill of Human Rights'.*

The examination of compliance with the Minimum Guarantees was carried out in accordance with the recommendations in *the Final Report on Minimum Safeguards* by Platform On Sustainable Finance. According to the recommendations, non-compliance with the Minimum Safeguards is one of four considerations:

1. Inadequate or non-existent human rights due diligence processes, including labour rights, corruption, taxation and fair competition.
2. The Company has been ultimately held accountable or found to have violated labour or human rights law in certain types of labour or human rights court cases.
3. Failure to co-operate with the OECD National Contact Point (hereafter OECD NCP) on a notification accepted by the OECD NCP.
4. Business and Human Rights Resource Centre (BHRRC) took up an allegation against the company and the company did not respond within 3 months.

In the verification process at Budimex Group, non-compliance with the above premises was examined as follows:

- **Premise 1:** The completeness of the due diligence processes was verified on the basis of an internal verification of the existence and operation of the elements of the due diligence process resulting from the framework of these processes contained in the documents mentioned in the definition of the Minimum Safeguards. The design of the due diligence processes in the definition proposed in Article 3(c) of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 establishing a framework to facilitate sustainable investment, amending Regulation (EU) 2019/2088 is mainly influenced by the provisions of the *UN Guiding Principles on Business and Human Rights* and the *OECD Guidelines for Multinational Enterprises*. Compliance was verified using a compliance assessment tool using the

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<sup>3</sup> Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing technical eligibility criteria for determining the conditions under which an economic activity qualifies as making a significant contribution to climate change mitigation or adaptation and whether that economic activity does not cause serious harm to any other environmental objective

<sup>4</sup> Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022 amending Delegated Regulation (EU) 2021/2139 as regards economic activities in certain energy sectors and Delegated Regulation (EU) 2021/2178 as regards the public disclosure of specific information in relation to those economic activities



assessment methodology proposed by the Platform on Sustainable Finance: *World Benchmark Alliance Core UNGP indicators*. As a result of the analysis, it was determined that the organisation has a complete due diligence process in place and in operation that fulfils the guideline.

- **Premise 2:** Premise 2 was verified in the process of completing the responses to premise 1 by verifying that there were no final convictions against the individuals listed in the premise during the period under review. As a result of the verification, it was found that there was no information qualifying the Group for premise 2.
- **Premise 3:** A verification of the OECD NCP notification database was carried out, which showed that no notifications occurred in relation to the Group during the period under review. [<http://mneguidelines.oecd.org/database/>].
- **Premise 4:** A verification of the Business and Human Rights Resource Centre (BHRRC) reporting database was carried out and showed that there were no reports against the **Company/Group** during the period under review. [<https://www.business-humanrights.org/en/companies>].

As a result of the verification process, it was determined that the Group's operations are conducted in accordance with the Minimum Safeguards.

### 6.3. Accounting policies

The following rules were applied to calculate the percentage of turnover, capital expenditures (CapEx) and operating expenses (OpEx) eligible for the Taxonomy:

#### Turnover

With regard to turnover, the basis was the Group's total consolidated revenues in 2022, as disclosed in the consolidated financial statements in the consolidated profit and loss account under 'Revenue from contracts with customers'. Net revenue from sale of products, goods and materials as described in note 30. Revenues from activities eligible for and compliant with the Taxonomy were assigned to the counter.

#### Capital expenditures (CapEx)

With regard to capital expenditure (CapEx), the basis was the capital expenditure incurred in all Group companies, which was reported in the consolidated statement of cash flows within investing activities under 'Acquisition of intangible assets and property, plant and equipment'. The part of CapEx that relates to activities eligible for and compliant with the taxonomy was allocated to the counter. For capital expenditures on construction vehicles, equipment and machinery, the proportional allocation method was applied. The Group uses vehicles, equipment and construction machinery for performing various contracts related to activities both eligible and not eligible for the Taxonomy; in addition, the same machinery may be used at different times of the year for different contracts. The total capital expenditures on construction vehicles, equipment and machinery were therefore allocated to the various activities in the proportion corresponding to the proportion of revenue from the contracts concerned. The above does not apply to capital expenditures in FBSerwis, where the CapEx was assigned directly.

#### Operating expenses (OpEx)

With regard to operating expenses (OpEx), the basis was all costs used to operate the Group's assets on an ongoing basis and to keep them in proper working order. The part of OpEx that relates to activities eligible for and compliant with the taxonomy was allocated to the counter. For operating expenses on construction equipment and machinery, the proportional allocation method was applied in the same way as for CapEx, as described above. For operating expenses related to vehicles and machinery used in the FBSerwis segment, the CapEx was assigned directly.

For operating expenses, which are defined in the Commission Delegated Regulation (EU) 2021/2178 in a way that does not refer to International Financial Reporting Standards, all accounts in the Group's accounting system were reviewed and then the identified items meeting the definition of OpEx related to the maintenance of vehicles, equipment and construction machinery were allocated on a pro-rata basis and items related to vehicles and machinery used for waste management were allocated directly to the relevant activity. Operating expenses is an expense item in the profit and loss account, as opposed to capital expenditure, which is an increase in the balance of tangible and intangible assets, and therefore the values included in the CapEx and OpEx calculations are separate.

#### Additional Information

The data used for the calculations came from the financial and accounting system of the Budimex SA Group and from the financial and accounting systems of the individual subsidiaries comprising the Group.

The Group avoided double counting when allocating turnover and capital expenditure by making appropriate consolidation exclusions in accordance with the applicable accounting regulations. In the case of operating expenses, which are defined in the Commission Delegated Regulation (EU) 2021/2178 in a manner that does not refer to international financial reporting standards, all accounts in the Group's accounting system were reviewed and the identified items meeting the definition of OpEx were then assigned to the qualifying activity in each case.

No activities contributing to more than one environmental objective were identified during the analysis. Therefore, there was no need for special procedures to avoid double counting.

The Group discloses in this report for the first time the share of activities that comply with the taxonomy and for the second time the share of activities that qualify for the taxonomy. The disclosure in this report relates to the most recent financial year, i.e. the period 1 January 2022 – 31 December 2022.

The analysis has shown that there is no need for a detailed disaggregation of the key performance indicators between the Group's individual operating entities in accordance with point 1.2.2.3. of Appendix I of Commission Delegated Regulation (EU) 2021/2178. For more information, please refer to the comments on the individual key performance indicators.

The Group does not carry out, finance or have exposure to the activities referred to in sections 4.26 – 4.31 of Appendix I and II of the Commission Delegated Regulation (EU) 2021/2139 (activities related to the generation of energy through nuclear processes and energy production from gaseous fossil fuels).

## 6.4. Turnover

Table No. 6 Percentage of turnover in line with the taxonomy

Business activity	Code or codes	Turnover (absolute value)	Share of turnover	Criteria for significant contribution							Criteria for the 'does not cause serious injury' principle							Minimum Safeguards	Percentage share of turnover compliant with the taxonomy, 2022	Percentage share of turnover compliant with the taxonomy, 2021	Category (supporting activities or)	Category (activities in support of the transition)
				Climate change mitigation	Adaptation to climate change	Water and marine resources	Circular economy	Contamination	Biodiversity and ecosystems	Climate change mitigation	Adaptation to climate change	Water and marine resources	Circular economy	Contamination	Biodiversity and ecosystems							
				%	%	%	%	%	%	T/N	T/N	T/N	T/N	T/N	T/N	T/N	%					
<b>A. ACTIVITIES ELIGIBLE FOR THE TAXONOMY</b>																						
<b>A.1. Environmentally sustainable activities (according to the taxonomy)</b>																						
Construction, expansion and operation of wastewater disposal and treatment systems	5.3.	221.2	2.57%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	T		T	T	T	T	2.57%	N/A				
Collection and transport of non-hazardous waste in source-separated fractions	5.5.	542.1	6.29%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	T		T	T	T	T	6.29%	N/A				
Infrastructure for rail transport	6.14.	1,815.2	21.06%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	T		T	T	T	T	21.06%	N/A	E			
Infrastructure for water transport	6.16.	318.8	3.70%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	T		T	T	T	T	3.70%	N/A	E			
Construction of new buildings	7.1.	126.9	1.47%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	T		T	T	T	T	1.47%	N/A		T		
<b>Turnover from environmentally sustainable activities (according to the taxonomy) (A.1)</b>		<b>3,024.1</b>	<b>35.09%</b>	<b>0.00%</b>	<b>35.09%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>							<b>35.09%</b>	<b>N/A</b>				
<b>A.2. Activities that qualify for the taxonomy but are environmentally unsustainable (activities not in line with the taxonomy)</b>																						
Electricity production from wind energy	4.3.	15.1	0.17%																	T		
Infrastructure for water transport	6.16.	57.6	0.67%																	T		

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Construction of new buildings	7.1.	1,542.0	17.89%																T		
Turnover from activities eligible for the taxonomy but environmentally unsustainable (not in line with the taxonomy) (A.2)		1,614.7	18.73%																	18.73%	N/A
Total (A.1.+A.2.)		4,638.8	53.82%																	53.82%	N/A
<b>B. ACTIVITIES NOT ELIGIBLE FOR THE TAXONOMY</b>																					
Turnover from activities that are not eligible for the Taxonomy (B)		3,980.2	46.18%																		
Total (A + B)		8,619.1																			

The Group generates revenue from several business segments, most of which are included in the Taxonomy in the scope of Appendices I and II of the Delegated Climate Act (Commission Delegated Regulation (EU) 2021/2139).

The main revenue items of the 2022 systematically compliant activities were:

- Revenue from the execution of transport-related infrastructure construction contracts amounting to PLN 2,134.0 million, relating to the construction of infrastructure for rail transport (PLN 1,815.2 million) and infrastructure supporting low-emission water transport (PLN 318.8 million).
- Revenues from contracts for the construction of new buildings in the amount of PLN 126.9 million.
- Revenues related to the construction of water collection, treatment and purification systems amounting to PLN 221.2 million.
- Revenues of the Group’s segment responsible for waste management in the amount of PLN 542.1 million.
- In addition, the Group received revenue from wind power generation (PLN 15.1 million) in 2022.

Some of the revenues received relating to the above-mentioned activities did not meet the Technical Eligibility Criteria and were therefore eligible for, but not in line with the taxonomy. In particular, this concerned revenue from the construction of new buildings (PLN 1,542.0 million).

The remaining PLN 3,980.2 million of revenue came from activities that are not eligible for the taxonomy.

The share of turnover eligible for the taxonomy in the total turnover was 53.82% in 2022, of which the share of turnover in line with the taxonomy was 35.09% and the share of turnover eligible but not in line with the taxonomy was 18.73%.

## 6.5. Capital expenditures (CapEx)

Table No. 7 Percentage of capital expenditure (CapEx) in line with the taxonomy

Business activity	Code or codes	Capital expenditure in absolute terms	Percentage share of capital expenditure	Criteria for significant contribution							Criteria for the 'does not cause serious injury' principle							Minimum Safeguards	Percentage share of capital expenditure in line with the taxonomy, 2022	Percentage share of capital expenditure in line with the taxonomy, 2021	Category (supporting activities or)	Category (activities in support of the transition)
				Climate change mitigation	Adaptation to climate change	Water and marine resources	Circular economy	Contamination	Biodiversity and ecosystems	Climate change mitigation	Adaptation to climate change	Water and marine resources	Circular economy	Contamination	Biodiversity and ecosystems							
				%	%	%	%	%	%	T/N	T/N	T/N	T/N	T/N	T/N	T/N	%					
<b>A. ACTIVITIES ELIGIBLE FOR THE TAXONOMY</b>																						
<b>A.1. Environmentally sustainable activities (according to the taxonomy)</b>																						
Electricity production from wind energy	4.3.	32.3	25.82%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	T		T	T	T	T	T	25.82%	N/A			
Construction, expansion and operation of wastewater disposal and treatment systems	5.3.	0.7	0.55%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	T		T	T	T	T	T	0.55%	N/A			
Collection and transport of non-hazardous waste in source-separated fractions	5.5.	30.8	24.63%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	T		T	T	T	T	T	24.63%	N/A			
Infrastructure for rail transport	6.14.	32.4	25.84%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	T		T	T	T	T	T	25.84%	N/A	E		
Infrastructure for water transport	6.16.	1.0	0.80%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	T		T	T	T	T	T	0.80%	N/A	E		
Construction of new buildings	7.1.	0.4	0.32%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	T		T	T	T	T	T	0.32%	N/A		T	
<b>Capital expenditure on environmentally sustainable activities (in line with the taxonomy) (A.1)</b>		<b>97.6</b>	<b>77.96%</b>	<b>0.00%</b>	<b>77.96%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>								<b>77.96%</b>	<b>N/A</b>			
<b>A.2. Activities that qualify for the taxonomy but are environmentally unsustainable (activities not in line with the taxonomy)</b>																						
Infrastructure for water transport	6.16.	0.2	0.16%																		T	
Construction of new buildings	7.1.	7.9	6.30%																		T	

Investment expenditure on activities eligible for the taxonomy but environmentally unsustainable (not in line with the taxonomy) (A.2)		8.1	6.46%		6.46%	N/A	
Total (A.1.+A.2.)		105.7	84.42%		84.42%	N/A	
<b>B. ACTIVITIES NOT ELIGIBLE FOR THE TAXONOMY</b>							
Capital expenditure for activities not eligible for the taxonomy (B)		19.5	15.58%				
Total (A + B)		125.2					

Capital expenditure (CapEx) is related to the implementation of the investment plans adopted by the Management Board.

Capital expenditure in line with the taxonomy in 2022 was primarily incurred on:

- Construction of a system for the production of energy from wind power (PLN 32.3 million).
- Investments related to waste management (PLN 30.8 million).
- Other capital expenditures related to activities from which revenues from construction activities were generated in accordance with the taxonomy (PLN 34.5 million)

Part of the capital expenditure (PLN 8.1 million) was incurred in connection with construction activities eligible for, but not in line with the taxonomy.

In addition, the Group incurred capital expenditure of PLN 19.5 million in 2022 related to activities not in line with the taxonomy.

In 2022, the share of investment expenditure eligible for the taxonomy amounted to 84.42%, including the 77.96% share of capital expenditures in line with the taxonomy, and the 6.46% share of investment expenditure eligible for, but not in line with the taxonomy.

## 6.6. Operating expenses (OpEx)

Table No. 8 Percentage of operational expenditure (OpEx) in line with the taxonomy

Business activity	Code or codes	Operating expenses in absolute terms	Percentage share of operating expenses	Criteria for significant contribution											Criteria for the 'does not cause serious injury' principle				Percentage share of operating expenses in line with the taxonomy, 2022	Percentage share of operating expenses in line with the taxonomy, 2021	Category (supporting activities or)	Category (activities in support of the transition)		
				Climate change mitigation	Adaptation to climate change	Water and marine resources	Circular economy	Contamination	Biodiversity and ecosystems	Climate change mitigation	Adaptation to climate change	Water and marine resources	Circular economy	Contamination	Biodiversity and ecosystems	Minimum Safeguards								
				million	%	%	%	%	%	%	%	%	T/N	T/N	T/N	T/N	T/N	T/N					T/N	%
<b>A. ACTIVITIES ELIGIBLE FOR THE TAXONOMY</b>																								
<b>A.1. Environmentally sustainable activities (according to the taxonomy)</b>																								
Construction, expansion and operation of wastewater disposal and treatment systems	5.3.	1.00	1.05%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	T		T	T	T	T	T	1.05%	N/A					
Collection and transport of non-hazardous waste in source-separated fractions	5.5.	37.10	38.85%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	T		T	T	T	T	T	38.85%	N/A					
Infrastructure for rail transport	6.14.	11.70	12.25%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	T		T	T	T	T	T	12.25%	N/A	E				
Infrastructure for water transport	6.16.	1.40	1.47%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	T		T	T	T	T	T	1.47%	N/A	E				
Construction of new buildings	7.1.	0.50	0.52%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	T		T	T	T	T	T	0.52%	N/A		T			
<b>Operating expenses on environmentally sustainable activities (in line with the taxonomy) (A.1)</b>		<b>51.70</b>	<b>54.14%</b>	<b>0.00%</b>	<b>54.14%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>								<b>54.14%</b>	<b>N/A</b>					
<b>A.2. Activities that qualify for the taxonomy but are environmentally unsustainable (activities not in line with the taxonomy)</b>																								





## 7. Climate changes and the environment

### 7.1. Management of the environmental area

#### 7.1.1. Policies and responsibilities:

- **Budimex SA**

The main document at Budimex SA governing the management of climate and environmental impacts is the 'Integrated Management System Policy'. The document contains commitments and principles supporting the reduction of environmental interference including the efficient use of natural resources and the promotion of environmental responsibility.

The Company is aware of the potential impact of its activities on the environment and the climate at the following levels:

- local – through interference with the functioning of ecosystems as a result of its construction works,
- global – through its contribution – positive or negative – to climate change.

In order to improve its environmental performance, Budimex has implemented an environmental management system based on the requirements of the PN-EN – ISO 14001:2015 standard. The Company has undergone certification by an external, independent and accredited certification unit. As part of the management system, objectives and environmental indicators have been developed through which the Company's environmental activity process is monitored. Responsibility for the management of the environmental area results from the internal procedures adopted by the Company.

- **Mostostal Kraków SA**

As far as environmental impact management is concerned, Mostostal Kraków SA has an 'Integrated Management System Policy' containing obligations and principles concerning Mostostal's impact on the environment.

Mostostal Kraków SA has implemented an environmental management system based on the requirements of the PN-EN – ISO 14001:2015 standard. The Company has undergone certification by an external, independent and accredited certification unit. Responsibility for the management of the environmental area results from the internal procedures adopted by the Company.

- **FB Serwis Group**

The FB Serwis Group's environmental management policy is based on the requirements of Commission Implementing Decision (EU) 2018/1147 of 10 August 2018, establishing conclusions on the best available techniques (BAT) for waste treatment, which were implemented at the Company's MBP systems in 2022 and concerns the Company's impact in terms of emissions: dust, gases, odours, wastewater, waste; noise and also in terms of energy consumption and emergency management. In the event of such emissions, appropriate procedures have been developed and implemented, and where this is not possible, procedures to mitigate risks and emissions, to reduce and minimise their impact, and to monitor all these activities. Responsibility for the management of the environmental area results from the internal procedures adopted by the Company.

The Company is preparing for the implementation and certification of PN-EN – ISO 14001:2015.

#### 7.1.2. Principles of the Integrated Management System Policy in the environmental area:

An individualised approach to the management of the area of environment and climate change has been introduced in the companies of the Budimex Capital Group, adapted to the characteristics of the business model of these entities.

- **Budimex SA**

In the system in force at Budimex SA, the axis of which is the Principles of the Integrated Management System Policy, the basic assumptions are:

- minimisation of the negative impact of the Company's activities on the environment;
- effective use of natural resources, energy and materials through energy-efficient solutions and recycled materials;
- taking care of the reduction of generated waste, water consumption, energy consumption and reduction of greenhouse gas emissions.

Budimex SA carries out its activities based on adopted environmental procedures, instructions and standards. Environmental management principles and requirements have been defined in relation to operating activities – the execution of construction contracts.

'Budimex Environmental Protection Standards' regulate the principles of proper protection of water, soil, air and biodiversity during construction works and auxiliary processes.

Environmental standards at Budimex SA concern:

- storing hazardous waste in an environmentally safe manner;
- safe handling of liquid fuels during transport, storage and refuelling of equipment and vehicles;
- safe handling of hazardous substances during the transport, storage and use of these substances;
- equipping construction sites with an environmental kit to deal efficiently with minor spills and leaks in order to prevent environmental pollution;

- organisation of works causing emission of dust into the air in order to reduce dust nuisance;
- organisation of work generating noise emissions to reduce noise nuisance;
- organisation of works causing vibration to reduce vibration nuisance;
- organisation of works in proximity to still and flowing waters in order to make works in a river bed or in the basin of a lake, pond or sea as well as on the shoreline of watercourses and reservoirs safe for the aquatic environment;
- organisation of drainage works from temporary drains to protect standing and flowing waters from pollution discharged with groundwater and surface water (e.g. emission of suspended solids);
- cleaning vehicle wheels of mud and devices contaminated with concrete, cement-lime mixtures or gypsum in a manner that is safe for the aquatic and groundwater environment;
- ensuring that trees and shrubs are effectively protected from damage or destruction during construction works;
- ensuring effective protection and minimising losses to amphibian populations during construction work;
- clearly and comprehensibly marking waste collection sites, environmental protection infrastructure and environmental monitoring sites.

Prior to the commencement of construction work, the environmental aspects to be monitored are identified. On the basis of the identified potential environmental hazards and the environmental impact of the planned construction work, an 'Environmental Task Plan' is agreed internally as part of the Safety and Health Plan. The Environmental Tasks Plan defines the type of emissions and indicates the risks and protective and minimising measures for the environmental impact during the construction works, in the following areas:

- the interaction of the construction site with the surroundings and the method of limiting the nuisance caused by the execution of the construction works, and an analysis of the environment of the construction site and back office in terms of its proximity to an industrial plant with increased or high risk, the occurrence of an industrial accident or a plant with an increased sanitary regime, and an indication of the method of action in such cases;
- the use of land and soil, with an indication of how to organise the construction sites in such a way as to ensure the economical use of the land and the restoration of the site to its original state on completion of the construction work. The procedure to use to handle contaminated soil is indicated;
- the use of water and the disposal of wastewater, taking into account the safest water supply and sewage disposal for the construction site under the given conditions, and how to safeguard the groundwater environment during the construction work;
- the emission of waste with an indication of the methods of reducing these emissions and the means of protecting the environment against the effects of the waste produced and stored;
- emissions of pollutants to air and noise and vibration, with an indication of the safeguards;
- consumption of raw materials and materials, taking into account the cost-effective management and use of recycled materials;
- handling of hazardous substances with an indication of precautions;
- impact on biodiversity with an indication of measures to reduce and minimise such impacts;
- impact on cultural heritage with an indication of measures to limit and minimise these impacts;
- the occurrence of potential emergency situations with an indication of the emergency equipment to be used in such a situation.

Each Budimex SA organisational unit for which factors with environmental and climate impact have been identified is responsible for implementing the operational activities set out in the Safety and Health Plan. The Company regularly assesses the environmental impact of its own activities and takes appropriate countermeasures to minimise threats, if any.

A large part of the Company's environmental impact is generated by suppliers of services and products, therefore it is important for Budimex SA to agree and cooperate with its business partners also in terms of environmental protection. Business partners are pre-qualified, i.e. assessed to verify their activities with environmental regulations. Suppliers, when deciding to cooperate, undertake to act in accordance with the Budimex standard, i.e. the rules applicable in the Company (procedures, instructions, other internal regulations). All suppliers who operate in the area of the Company's investments undergo training on waste management and treatment in the event of an accident in the environment. The supplier's experience and responsibility, e.g. in the area of the environment, are assessed.

- **Mostostal Kraków SA**

The basic aspects of the Integrated Management System Policy in the area of environment at Mostostal Kraków SA are:

- continuous reduction of the impact of the company's activities on the environment;
- compliance with the requirements and obligations arising from the applicable legislation and standards;
- minimising waste and emissions of hazardous substances;
- regularly raising the environmental awareness of employees and suppliers;
- protection of natural resources by reducing waste and the consumption of water, electricity and fuels.

The Company's response to the above challenges is the procedures developed and implemented:

- organisation and management of the environment on the contract;
- identification and qualification of environmental aspects;
- emission reporting and monitoring of the environmental effect;
- instructions for the qualification and management of materials sourced as part of the works;
- detailed rules for recording fixed assets and low-value items containing controlled substances;

- environmental monitoring and measurement;
- environmental accidents and incidents.

A large part of Mostostal Kraków SA's environmental impact is related to the operation of Steel Structures Plant in Kraków and Kleszczów. In this area, work is carried out by both Mostostal Kraków SA's own strength and business partners. Suppliers are trained in the Company's environmental protection procedures, including the principles of dealing with environmental accidents.

- **FB Serwis Group**

The basic aspects of the Environmental Protection Policy are:

- commitment to environmental protection, including the prevention of accidents, pollution and fulfilment of compliance obligations,
- continuous improvement of the quality and environmental management system to improve environmental performance both at the management level and in all employee activities;
- continuous improvement of the environmental performance of the system.

The principles of the environmental management system policy, based on the requirements of Commission Implementing Decision (EU) 2018/1147 of 10 August 2018, establishing conclusions on best available techniques (BAT) for waste treatment, concern:

- control, containment and protection measures in relation to the generation of dust and gas emissions, odours, wastewater and noise;
- monitoring and management of waste streams from reception, through the treatment process, to the final management of treatment residues;
- measures to prevent and limit the consequences of potential accidents with a negative impact on the environment;
- measures to monitor and reduce energy consumption.

The Company's response to the above challenges is the procedures developed and implemented:

- procedure for the control and means of limiting pollutants discharged into the environment in the form of emissions of gases, dust and wastewater;
- procedure for handling waste;
- management plan in the event of failure;
- odour management plan;
- noise management plan;
- energy efficiency plan.

### **7.1.3. Changes in environmental area management:**

- **Budimex SA**

In the interests of effective environmental management, the company has decided to implement another European eco-management standard, EMAS. The legal basis for EMAS is laid down in Regulation (EC) No 1221/2009 of the European Parliament and of the Council of 25 November 2009. It is a legally sanctioned European Union scheme that promotes the idea of voluntary environmental action. The primary objective of the programme is to put in place processes that contribute to the continuous reduction of negative environmental impacts, the implementation of clean technologies, a closed-loop economy, as well as informing local communities about possible impacts on ecosystems. The implementation of EMAS shall widen the range of tools, in terms of due diligence, towards the environment in the entire value chain available to Budimex SA

- **Mostostal Kraków SA**

There were no changes in environmental management in 2022.

- **FB Serwis Group**

There were no changes in environmental management in 2022.

## **7.2. Climate change and the Group's long-term business prospects**

Advancing climate change and the need to stop it are among the most important challenges of the modern world. These changes affect every area of life, including the operation of business.

### **7.2.1. Future perspectives:**

- **Budimex SA**

Climate change poses new challenges for the construction sector.

Increasing demand for utility and residential infrastructure, rising living standards and related needs are resulting in increased energy consumption, including in the construction sector. The energy intensity of the building sector makes it necessary to manage the impact of buildings and infrastructure on greenhouse gas emissions, but also on biodiversity, water management and space use. Another dimension is the potential impact of sudden weather events and their exacerbation by climate change. All this necessitates the search for new design solutions that are resistant to extreme weather events and that reduce the consumption of natural resources to a minimum (zero-emission buildings).

With the above in mind, Budimex SA updated the assessment of its activities in 2022 in terms of climate change, resulting in the development of a matrix of climate risks, threats and opportunities (Table 9).

- **Mostostal Kraków SA**

The company declares to act consistently with the Budimex Group's activities in the area of climate change.

- **FB Serwis Group**

The company declares to act consistently with the Budimex Group's activities in the area of climate change.

### **7.2.2. Analysis of climate risks in the Budimex Group:**

In 2021, the Budimex Group conducted an identification and analysis of climate change risks. As part of the process, opportunities and threats arising from these phenomena were assessed.

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

The study was carried out in three stages:

- 1) analysis of significant climatic risks in the comparative group,
- 2) questionnaire survey of the expert group selected in the company,
- 3) calculation of results and categorisation of identified risks, threats and opportunities.

The study took into account 30 risks divided into 8 groups. 26 potential opportunities and 37 potential threats were identified. Following the AXIS<sup>®</sup> methodology, risks were assessed in three dimensions: probability of occurrence, magnitude of impact and time horizon. Probability means that a given threat/opportunity may occur with a specific impact. The impact represents the significance of the effects of a given threat/opportunity if it occurs. The time horizon is predetermined by the validity date of the significance assessment. For the purposes of the study, a point scale with five time horizons (2021–2022, 2023–2025, 2025–2030, 2030–2040, 2040–2050) was adopted.

The ranges within each time horizon of risks and opportunities were defined as follows:

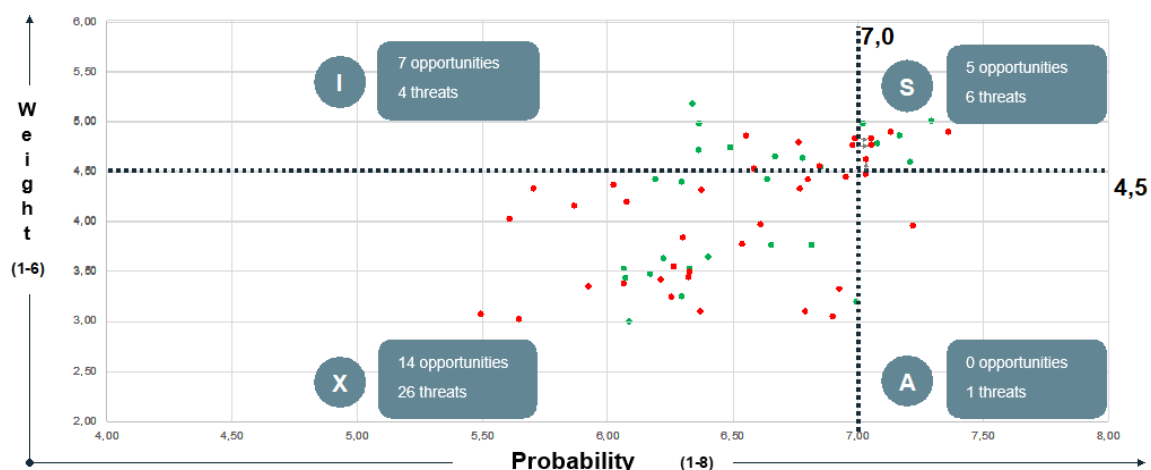
- short horizon – 1 to 3 years;
- medium horizon – from 4 to 10 years;
- long horizon – from 11 to 30 years.

On the basis of the assessment assigned to the opportunities and threats, a qualification into individual groups was made. Threats and opportunities considered as significant are in Group S (Seizure). Opportunities and threats assigned to Group I (Intensification) and Group A (Application) were selected for monitoring – and only in selected cases for management. Opportunities and threats have been classified to Group X (eXclusion) which should be monitored in specific situations.

The following groups were classified in the described study:

- Group A (Amplification) – high probability and low weight:  
no opportunities  
1 threat
- Group X (eXclusion) – low probability and low weight:

- 14 opportunities
- 26 threats
- Group I (Intensification) – low probability and high weight:
  - 7 opportunities
  - 4 threats
- Group S (Seizure) – high probability and high weight:
  - 5 opportunities
  - 6 threats



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

Table No. 9 ‘Significant risks, threats and opportunities’

Risk	Threat/Opportunity	Time horizon	Management
<b>Long-term physical risks</b>			
Risk of increasing average temperatures	Threat of the impact of increase in average temperatures on working conditions in contracts	Medium – long	Budimex Group ensures that health and safety conditions are met in contracts, including the appropriate adjustment of planned works to the prevailing weather conditions so as not to endanger its own and its suppliers’ employees.
<b>Risks related to the policy and regulations/provisions of law</b>			
Risk of the introduction of taxes, customs duties or other carbon charges	Threat of the increase in costs caused by the introduction of tax, customs duties or other carbon charges	Medium	Budimex Group is actively increasing the mix of low- and zero-carbon energy and works on green mobility.
Risk of changes in energy efficiency regulations and standards	Threat of the strengthening of provisions concerning energy efficiency of buildings	Short	The risk is managed primarily by planning to increase the share of certified raw materials and products at Budimex Group projects and

Risk	Threat/Opportunity	Time horizon	Management
			preparing for design to CSRD standards.
Risk of changes in energy efficiency regulations and standards	Opportunity to reduce emissions and energy used by the increase in the energy efficiency of buildings constructed	Medium	Threat management is implemented primarily by planning to increase the proportion of certified raw materials and products at Budimex Group projects and preparing for design to CSRD standards.
Risk of the extension of obligations concerning the calculation of greenhouse gas emissions	Opportunities for more efficient preparation for the fulfilment of obligations concerning the carbon footprint reporting than competitors	Short – medium	The Budimex Group plans to extend the calculation of GHG emissions by elements of Scope 3.
Risk related to the circular economy	Opportunity to offer services of waste management in a manner compliant with the circular economy principles	Medium – long	Opportunity to apply components and technologies in line with the principles of a circular economy in the future, based on own research and in cooperation with a strategic investor.
<b>Technological risks</b>			
Risk of the emission intensity of energy sources	Threat of the increase in energy prices as a result of high-emission energy mix in Poland or in other countries	Short – medium	The risk is managed by increasing the share of energy obtained from zero-emission sources in the mix of energy purchased by Budimex Group entities and/or by generating RES energy for the own needs of the Group companies
<b>Market risks</b>			
Risk of the increase in prices of raw materials, materials and services	Threat of the increase in costs of raw materials, materials and services caused by other climate risks	Medium	The answer to the threat is to increase the share of secondary materials in the construction process
Risk of making access to financing dependent on countering climate crisis	Opportunity for easier access or cheaper financing granted in connection with the fulfilment of the criteria of counteracting climate crisis	Long	Budimex Group plans to operate in compliance with CSRD requirements, which shall form an integral part of the company's strategy
Risk of cooperation with suppliers	Opportunity for the transfer of knowledge and competences with the support of a strategic investor	Short – medium	The Budimex Group actively applies the good practices and strategic approach of the Ferrovial Group.  Budimex Group actively interacts with its suppliers, sharing best practices in the ESG area with them

### 7.3. Fuels and energy

[GRI 302-1] [GRI 302-3] [GRI 302-4] [302-5]

- **Budimex SA**

The demand of Budimex SA for fuels and energy results mainly from:

- the production of mineral and asphalt mixtures,
- operation of construction equipment, transport of materials, raw materials,
- use of company cars,
- the supply of electricity and heat to the rest and refreshment facilities of ongoing construction sites.

The energy intensity of construction work, and thus also the carbon footprint, is closely linked to the stage of construction of a particular project and in a given year is dependent on changes in, for example, the volume of asphalt mix production, transport requirements and the commitment of construction equipment. The diversity of the order portfolio as well as the construction process, which lasts an average of two years, make it unreliable to compare energy demand and energy intensity on an annual basis. Positive or negative changes in effects may result from the current state of implementation of the contract portfolio, instead of changes in the operating model. However, these are taking place because the Capital Group, including Budimex SA, is taking a number of measures aimed at permanently reducing the energy intensity and emissions, e.g. through successive replacement of construction equipment, investments in renewable energy sources, educational measures aimed at employees (training, energy-saving campaign) and rationalisation of energy consumption. These measures translate into lower total energy consumption compared to the previous year (Table No. – fuel and energy consumption [MWh]).

Budimex SA has implemented an energy management system aimed at identifying energy-sensitive areas and improving process efficiency, based on the Deming cycle. The company has implemented an energy efficiency improvement policy: 'Energy Policy'. Activities in this area are constantly monitored. An Energy Management Team has been established and is responsible for supervising the implementation of the Company's energy policy.

- **Mostostal Kraków SA**

The demand for energy and fuels at Mostostal Kraków SA is related to:

- carrying out work in steel structure manufacturing plants;
- transporting manufactured structures to the site for assembly,
- use of company vehicles,
- supplying electricity and heat to the rest and refreshment facilities.

The energy intensity of work in steel structure factories, and thus also the emissions, is linked to the stage of work carried out and depends on the volume of production in a given year and the transport distance to the place where the structure is built. This variability means that comparisons of energy demand and energy intensity on an annual basis may not be meaningful.

- **FB Serwis Group**

Fuel and energy consumption in the FB Serwis Group is generated by:

- vehicle fleet (cars and specialised vehicles);
- operation of the system and associated infrastructure (waste processing devices, equipment related to operations, rest and refreshment facilities).

FB Serwis Group has energy efficiency plans in place, which include measures such as: switching off individual machines and devices during process downtime, carrying out process line inspections and servicing to eliminate points of excessive energy consumption, using high-quality devices with low electricity consumption, and automatically controlling the parameters of the biological waste treatment process.

The FB Serwis Group's plants maintain energy balances that include information on energy consumption and flow.

Data on fuel and energy consumption at Budimex SA and the entire Budimex Group are presented below.

Table No. 10 Fuel and energy consumption [MWh]

	Unit	Budimex SA			Budimex Group		
		2021	2022	year-on-year change	2021	2022	year-on-year change
<b>Fuels used in buildings and systems</b>							
Light fuel oil	MWh	5,779.2	7,858.8	36.0%	6,759.9	8,002.6	18.4%
Heavy fuel oil (LSC)	MWh	0.0	0.0	-	0.0	0.0	-
Coal dust	MWh	71,500.0	62,897.8	-12.0%	71,500.0	62,897.8	-12.0%
Network natural gas	MWh	827.3	414.7	-49.9%	1,774.5	1,460.6	-17.7%
LPG	MWh	0.0	0.0	-	5,893.7	0.0	-100.0%
Propane-butane	MWh	0.0	0.0	-	0.0	0.0	-
Propane gas	MWh	0.0	0.0	-	1,353.6	876.7	35.2%
Total fuels used in buildings and systems	MWh	78,106.5	71,171.3	-8.9%	87,281.7	73,237.7	-16.1%
<b>Fuels used in transport performed with own vehicles</b>							
Petrol	MWh	11,819.5	15,219.8	28.8%	13,999.5	33,030.2	135.9%
Diesel oil	MWh	21,670.6	20,021.4	-7.6%	47,676.3	40,425.0	-15.2%
LPG	MWh	0.0	0.0	-	2,233.3%	149.9%	-93.3%
LNG	MWh	0.0	0.0	-	0.0	0.0	-
CNG	MWh	0.0	0.0	-	1,144.4	1,393.1	21.7%
Total fuels used in transport performed with own vehicles	MWh	33,490.0	35,241.2	5.2%	65,053.6	74,998.1	15.3%
<b>Fuels used for propulsion of the machine fleet</b>							
Petrol	MWh	1,919.2	1,643.2	-14.4%	2,633.4	1,679.6	-36.2%
Diesel oil	MWh	63,301.9	50,498.4	-20.2%	63,301.9	64,074.7	1.2%
LPG	MWh	29.7	40.4	35.9%	29.7	72.2	142.9%
Propane gas	MWh	0.0	0.0	-	2.9	9.8	242.3%
Propane-butane	MWh	111.7	38.3	-65.7%	122.3	131.0	7.1%
Total fuel used in the machinery fleet	MWh	65,362.6	52,220.31	-20.1%	66,090.2	65,967.2	-0.2%
<b>Energy generated</b>							
Electricity generated from RES	MWh	62.1	80.4	29.5%	62.1	195.5	215.1%
<b>Energy purchased*</b>							
Electrical energy	MWh	14,349.0	19,320.3	34.6%	23,814.1	28,075.3	17.9%
Heat energy	MWh	10,726.1	8,695.7	-18.9%	10,789.3	8,799.3	-18.4%
<b>Total energy consumption</b>	<b>MWh</b>	<b>202,096.3</b>	<b>186,729.26</b>	<b>-7.6%</b>	<b>253,091.0</b>	<b>251,273.1</b>	<b>-0.7%</b>

(\*) In 2022, Budimex SA concluded contracts for the supply of electricity with guarantees of origin and/or certificates confirming the origin of energy from renewable energy sources and purchased 15,000 MWh (Respect Energy) in the form of guarantees of origin. Contracts with energy suppliers included the following volumes of green energy:

- PGE up to 3,588 MWh of used energy
- TAURON Sales to the value of 1,714 MWh of energy consumed;

In total, guarantees of origin and certificates represent a maximum of 20,302 MWh of green energy in 2022.



Table No. 11 Consumption of fuels and energy [GJ]

	Unit	Budimex SA			Budimex Group		
		2021	2022	year-on-year change	2021	2022	year-on-year change
<b>Fuels used in buildings and systems</b>							
Light fuel oil	GJ	20,805.3	28,291.5	36.0%	24,335.7	28,809.3	18.4%
Heavy fuel oil (LSC)	GJ	0.0	0.0	-	0.0	0.0	-
Coal dust	GJ	257,399.9	226,432.2	-12.0%	257,399.9	226,432.2	-12.0%
Network natural gas	GJ	2,978.3	1,492.9	-49.9%	6,388.3	5,258.0	-17.7%
LPG	GJ	0.0	0.0	-	21,217.1	0.0	-100.0%
Propane-butane	GJ	0.0	0.0	-	0.0	0.0	-
Propane gas	GJ	0.0	0.0	-	4,872.8	3,156.0	35.2%
Total fuels used in buildings and systems	GJ	281,183.5	256,216.6	-8.9%	314,213.9	263,655.6	-16.1%
<b>Fuels used in transport performed with own vehicles</b>							
Petrol	GJ	42,550.1	54,791.2	28.8%	50,398.3	118,908.6	135.9%
Diesel oil	GJ	78,014.0	72,077.2	-7.6%	171,634.8	145,530.0	-15.2%
LPG	GJ	0.0	0.0	-	8,039.9	539.6	-93.3%
LNG	GJ	0.0	0.0	-	0.0	0.0	-
CNG	GJ	0.0	0.0	-	4,120.0	5,015.0	21.7%
Total fuels used in transport performed with own vehicles	GJ	120,564.1	126,868.4	5.2%	234,193.0	269,993.2	15.3%
<b>Fuels used for propulsion of the machine fleet</b>							
Petrol	GJ	6,909.2	5,915.6	-14.4%	9,480.4	6,046.5	-36.2%
Diesel oil	GJ	227,886.9	181,794.3	-20.2%	227,886.9	230,668.8	1.2%
LPG	GJ	107.0	145.5	35.9%	107.0	259.9	142.9%
Propane gas	GJ	0.0	0.0	-	10.3	35.3	242.3%
Propane-butane	GJ	402.2	138.0	-65.7%	440.2	471.5	7.1%
Total fuels used to power the machinery fleet	GJ	235,305.3	187,993.4	-20.1%	237,924.8	237,482.0	-0.2%
<b>Energy generated</b>							
Electricity generated from RES	GJ	223.4	289.3	29.5%	223.4	703.8	215.1%
<b>Energy purchased</b>							
Electrical energy	GJ	51,656.5	69,553.2	34.6%	85,730.9	101,071.1	17.9%
Heat energy	GJ	38,614.0	31,304.5	-18.9%	38,841.5	31,677.4	-18.4%
<b>Total energy consumption</b>	<b>GJ</b>	<b>727,546.8</b>	<b>672,225.3</b>	<b>-7.6%</b>	<b>911,127.6</b>	<b>904,583.1</b>	<b>-0.7%</b>

In 2022, the Budimex Group saw a decrease in fuel consumption in buildings and systems y/y by a value of 16.1%, which was significantly influenced by the energy efficiency policy pursued.

At the same time, along with changes in the structure of fuels, there was a decrease in the amount of total fuel consumption in the machinery fleet of 0.2% y/y.

In vehicle transport, there was an increase in fuel consumption of 15.3% year-on-year.

Fuel consumption in vehicle transport was mainly influenced by the mobility needs of employees as a result of real operational activities. In 2020 and 2021, these needs were reduced due to the restrictions put in place as a result of the pandemic.

In 2022, there was an increase in the amount of energy generated in the Budimex Group from RES of 215.1% compared to the previous year. The amount of energy from RES shall gradually increase in the following years with investments in new green energy generation projects.

In 2022, there was a significant decrease in the demand for thermal energy, but at the same time there was an increase in the demand for electricity, as its consumption at Group level increased by 17.9%. Budimex Group's total energy consumption decreased by 0.7% compared to the same period in 2021.

**Table No. 12 Energy intensity indicators for fuel and energy consumption**

	Unit	Budimex SA			Budimex Group		
		2021	2022	year-on-year change	2021	2022	year-on-year change
Energy from renewable sources per total revenue	MWh/PLN	0.7	2.5	249.5%	0.9	2.4	163.6%
Energy from non-renewable sources per revenue total	MWh/PLN	28.0	22.4	-20.0%	31.1	26.8	-13.8%
<b>Energy from all sources per total revenue</b>	<b>MWh/PLN</b>	<b>28.7</b>	<b>24.9</b>	<b>-13.3%</b>	<b>32.0</b>	<b>29.2</b>	<b>-8.8%</b>

## 7.4. Reduction of greenhouse gas emissions

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

All companies belonging to the Budimex Group manage activities affecting the level of emissions. Activities in this scope at Budimex S.A are focused on key areas listed in the CSR Strategy for 2021–2023. In order to continuously reduce the carbon footprint, measures such as solutions optimising fuel and energy consumption in operational processes and replacement of the fleet with vehicles with reduced or zero emissions are implemented.

### 7.4.1. Limits of reported emissions

- The calculation for the parent company, Budimex S.A, includes fuel and energy consumption excluding fuel consumption in passenger transport on the German and Slovak markets;
- The calculation for the Group includes all subsidiaries and the parent company according to operational and financial control. The calculation excludes companies that have no significant operational activities over the course of 2022 that contribute to significant fuel and energy consumption. The entities Budimex SA, FB Serwis Capital Group and Mostostal Kraków SA are the largest emitters of greenhouse gases in the Budimex Capital Group. Scope 1 and Scope 2 emissions arising from the activities of the other companies in the Group do not exceed the threshold of a 10% share in the total Scope 1 + Scope 2 (market-based) emissions.

### 7.4.2. Scope of reported emissions

Budimex Group reports Scope 1 and Scope 2 emissions in terms of the definition of the GHG Protocol methodology. The implementation of a comprehensive Scope 3 calculation as of the end of 2022 is in the planning phase.

- Direct emissions (Scope 1) arise from the combustion of fuels in stationary or mobile sources owned or supervised by the company, as well as emissions resulting from technological processes or refrigerants released into the atmosphere;
- Indirect emissions (Scope 2) arise from the consumption of purchased electricity and heat. Scope 2 emissions are calculated using two methods. The location-based calculation method takes into account the average energy intensity of the network to which the energy consumer is connected. The market-based calculation method aims to show the informed choice of the energy supplier – it presents emissions calculated according to supplier-specific intensity.

### 7.4.3. Calculation methodology and assumptions made

- Emissions were calculated using tools provided by the GHG Protocol (<https://ghgprotocol.org/calculation-tools>), calculations were based on the six GHGs (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>) included in the GHG Protocol. Emission values are given in tonnes (Mg) of the standard carbon dioxide equivalent (CO<sub>2</sub>e) unit;
- For the calculation of Scope 2 location-based emissions, average emission intensity factors for electricity and heat generation made available by the National Balancing and Emissions Management Centre were used. The emission amount from the production of consumed electricity was calculated according to the market-based method; if the supplier was known, the emission rates provided by it were applied for electricity, while the rate of 0 kg CO<sub>2</sub>e/kWh was assumed for energy from RES confirmed by the Guarantees of Origin;
- For heat energy, heat generation intensity factors were adopted according to data reported for Poland by the Energy Regulatory Office;

- The Global Warming Potential (GWP) creation factors used in the calculations are in accordance with the Fifth Assessment Report of the IPCC (AR5).

#### 7.4.4. Significant changes in reported emissions

Over the course of 2022, there has been a decrease in emissions in both scopes in which the Budimex Group monitors GHG emissions. Scope 1 saw a significant decrease in fuel use in the Group's fleet category of 24% from the previous year. The results achieved in Scope 1 are influenced by the current energy intensity and characteristics of the construction work in progress, as well as changes in the mix of fuels used.

Within Scope 2 (market-based), a significant reduction in GHG emissions was achieved through Budimex SA's purchase of renewable energy with a guarantee of origin. This accounts for a reduction in emissions resulting from the purchase of electricity of close to 100% for Budimex SA and by close to 60% for the Group.

Table No. 13 Emissions from Scope 1 and Scope 2

	Unit	Budimex SA			Budimex Group		
		2021	2022	year-on-year change	2021	2022	year-on-year change
<b>Scope 1</b>							
Emissions resulting from fuel consumption in buildings and systems	Mg CO2e	26,216.6	23,606.1	-10.0%	28,342.7	24,060.6	-15.1%
Emissions resulting from fuel consumption in transport	Mg CO2e	8,361.9	9,267.2	10.8%	16,672.8	19,613.4	17.6%
Emissions resulting from fuel consumption in the machinery fleet	Mg CO2e	20,882.9	14,047.1	-32.7%	23,345.5	17,748.4	-24.0%
Total GHG emissions Scope 1	Mg CO2e	55,461.4	46,920.3	-15.4%	68,361.0	61,422.4	-10.1%
<i>Scope 1 emissions per revenue total</i>	<i>Mg CO2e/PLN</i>	<i>7.9</i>	<i>6.2</i>	<i>-20.7%</i>	<i>8.6</i>	<i>7.1</i>	<i>-17.5%</i>
<b>Scope 2 location-based</b>							
Emissions resulting from the purchase of electricity	Mg CO2e	15,041.6	13,678.8	-9.1%	21,648.2	19,877.3	-8.2%
Emissions resulting from the purchase of thermal energy	Mg CO2e	3,861.4	3,191.3	-17.4%	3,883.8	3,229.3	-16.9%
Total GHG emissions Scope 2 location-based	Mg CO2e	18,903.0	16,870.1	-10.8%	25,532.1	23,106.7	-9.5%
<i>Emissions Scope 2 location-based on total revenue</i>	<i>Mg CO2e/PLN</i>	<i>2.7</i>	<i>2.2</i>	<i>-16.3%</i>	<i>3.2</i>	<i>2.7</i>	<i>-16.9%</i>
<b>Scope 2 market-based</b>							
Total GHG emissions Scope 2 market-based	Mg CO2e	12,998.3	4,055.4	-68.8%	19,913.9	9,895.3	-50.3%
<i>Emissions Scope 2 market-based for total revenue</i>	<i>Mg CO2e/PLN</i>	<i>1.8</i>	<i>0.5</i>	<i>-70.7%</i>	<i>2.5</i>	<i>1.1</i>	<i>-54.4%</i>
<b>Scope 1+2 location-based</b>							
Total GHG emissions Scope 1+2 location-based	Mg CO2e	74,364.4	63,790.4	-14.2%	93,893.0	84,529.0	-10.0%
<i>Emissions Scope 1+2 location-based for total revenue</i>	<i>Mg CO2e/PLN</i>	<i>10.6</i>	<i>8.5</i>	<i>-19.5%</i>	<i>11.9</i>	<i>9.8</i>	<i>-17.4%</i>
<b>Scope 1+2 market-based</b>							
Total GHG emissions Scope 1+2 market-based	Mg CO2e	68,459.8	50,975.7	-25.5%	88,274.9	71,317.7	-19.2%
<i>Emissions Scope 1+2 market-based for total revenue</i>	<i>Mg CO2e/PLN</i>	<i>9.7</i>	<i>6.8</i>	<i>-30.2%</i>	<i>11.2</i>	<i>8.3</i>	<i>-25.8%</i>

### 7.4.5. Examples of actions reducing the Budimex Group’s carbon footprint

The Budimex Group is actively working towards business development in the area of renewable energy sources. These activities focus on investing in photovoltaic farms and wind farms, and also include activities on the site of the investments under construction through the installation of photovoltaic panels that produce energy for the needs of a specific location. In this respect, the most significant developments in 2022 were:

- purchase of Magnolia with a RES project ready for construction – 6–7 MW of capacity, onshore wind, 2 turbines, productivity of approximately 20–25 GWh per year. Planned commissioning in Q2 2023;
- purchase of the HIG XIV photovoltaic company with a RES project ready for construction – 14 MW capacity, productivity approx. 15 GWh per year. Installation of the system starts in 2023. Planned commissioning in Q2 2024;
- preparation for changing the heating method of the office building of the Equipment Services Division from the traditional one based on an oil boiler to a set of heat pumps powered by the planned PV farm – completion in 2023;
- replacement of the lighting in the area of the Equipment Services Division from metal halide technology to LED lamps;
- placement of a Self-Administered Autonomous Energy Storage Facility supported by PV at the Equipment Services Division.
- planning the purchase and distribution of thermal imaging cameras for the Bitumen Plants, with the aim of detecting and reducing heat loss – completion in 2023;
- initiating in the Equipment Services Division the process of obtaining connection conditions, an environmental decision and building permit for a photovoltaic farm with a capacity of 3.6 MW, which shall cover the electricity demand of the Budimex SA Bitumen Plant by the volume of annual consumption for the production of mineral and asphalt mixes;
- installation of photovoltaic panels for the company’s own needs at Mostostal Kraków SA in Kleszczów and Kraków with a total capacity of 200 kWp;
- purchase of photovoltaic panels by Mostostal Kraków SA – Steel Structures Plant for the planned construction of a 640 kWp photovoltaic farm in Kraków – completion in 2023;
- construction of a photovoltaic system at the Ruszczyń Waste Management Plant FB Serwis Kamieńsk with a capacity of 50 MWh;
- Construction of an electric vehicle charging station by Budimex SA

### 7.4.6. Emissions of dust and other substances

- **Budimex SA**

At Budimex SA, emissions of substances other than greenhouse gases occur as a result of bituminous mass production processes. Information on emissions of these substances in 2022 is presented below:

**Table No. 14 Emission of dust and other substances at Budimex SA [kg]**

Significant emissions to air	[kg]
NOX	29,434.63
SOX	25,053.5
Persistent Organic Pollutants (POP)	0.20
Volatile organic compounds (VOC)	7,493.20
Hazardous air pollutants (HAP)	N/A
Particulate matter (PM)	17,925.92
Other standard air emission categories as defined by the relevant legislation	-
Source of emission factors used	based on KOBIZE report
Applied standards, methodologies, assumptions and/or calculation tools	own calculations

- **FB Serwis Group**

In the FB Serwis Group, emissions of substances other than greenhouse gases occur as a result of building heating processes at waste treatment facilities, fuel handling (diesel tanks at waste treatment facilities) and infrastructure maintenance contracts. Information on emissions of these substances in 2022 is presented below:

**Table 15 No. Emission of dust and other substances in the FB Serwis Group [kg]**

Significant emissions to air	[kg]
<b>Significant air emissions, in kg or multiples, for each of the following:</b>	
NOX	153.6964
SOX	204.4901
Persistent Organic Pollutants (POP)	0.0
Volatile organic compounds (VOC)	3,202.2110
Hazardous air pollutants (HAP)	N/A
Particulate matter (PM)	585.1915
<b>Source of emission factors used</b>	based on KOBIZE report
<b>Applied standards, methodologies, assumptions and/or calculation tools</b>	own calculation

\*Data on the level of emissions of substances other than greenhouse gases do not include the level of emissions generated by Mostostal Kraków SA

## 7.5. Raw materials and waste

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

### 7.5.1. Raw Materials

- **Budimex SA**

In 2022, a change was made in the reporting approach to the list of raw materials purchased, resulting from the standardisation of a communication standard, focused on the closed loop economy and preparation for future reporting in line with the ESRS (European Sustainability Reporting Standard). The raw materials and construction products most commonly used in the construction process are cement, steel, asphalts, aggregates and concrete. The Company aims to maximise the use of secondary raw materials from waste processing (e.g. rubble, ballast, soil and earth, asphalt waste). These activities are part of the European trend towards a closed loop economy.

**Table No. 16 Raw materials and materials used by Budimex SA**

	Unit	Budimex SA		
		2021	2022	year-on-year change
Concrete	m3	841,198.9	593,840.3	-29.4%
Cement	Mg	126,350.4	67,191.7	-46.8%
Steel	Mg	44,166.0	52,811.0	19.6%
Asphalt	Mg	44,262.7	39,046.1	-11.8%
Natural aggregate	Mg Mg	1,502,276.24	4,336,095.2	-
Artificial aggregate			239,823.3	-
Recovered (R12) and recycled (R5) aggregate		-	1,102,260.14	-

- **Mostostal Kraków SA**

The main raw material for the structures manufactured by the Company is steel. Steel consumption is monitored and increases in line with Mostostal Kraków SA's order book. The consumption of this raw material is shown in Table No. 17.

**Table No. 17 Raw materials and materials used by Mostostal Kraków**

		Mostostal Kraków Sp. z o.o.		
	Unit	2021	2022	year-on-year change
Steel	Mg	10,813.7	13,734.0	27.0%

Over the course of 2022, consumption of the Company's key raw material, steel, increased by 27%, relative to 2021, due to a larger order portfolio and the stage of work in progress.

- **FB Serwis Group**

Due to the business model in the FB Serwis Group, which involves the processing of waste in installations, raw materials and construction products specific to the Budimex Group were not used in 2022.

## 7.5.2. Waste

This section presents waste in a breakdown in line with GRI 306. The data is summarised in Table No. 21.

**Table No. 18 Waste generated year-on-year**

	Unit	Budimex SA			Budimex Group		
		2021	2022	year-on-year change	2021	2022	year-on-year change
Non-hazardous waste	Mg	2,471,346.64	2,431,166.66	-1.6%	2,903,144.41	2,878,331.90	-0.9%
Hazardous waste	Mg	2,811.80	3,344.14	18.9%	2,841.12	3,373.63	18.7%
Total waste		2,474,158.44	2,434,510.80	-1.6%	2,905,985.53	2,881,705.53	-0.8%

In 2022, there is an increase in hazardous waste of 18.7% at a consolidated level. The resulting differences in the amount of waste generated in 2021 and 2022 are due to the type of works carried out in these years and the waste generated by these works (especially railway sleepers).

- **Budimex SA**

Construction waste mainly comes from demolition and renovation works, and its total amount depends on the number of contracts and their progress. Waste management on construction sites is regulated by the 'Waste Management Plan' contained in the Safety and Health Plan. The breakdown of waste generated by Budimex SA is presented in Table No. 19 Budimex SA waste information breakdown.

If hazardous waste is generated in the course of works, the contractor is obliged to store and manage such waste safely for health and the environment, and to respond to emergency situations. Proper waste management on construction sites is supervised by Site Managers with the support of the Budimex SA Environmental Department.

At each stage of construction, waste specific to the type of work carried out is generated. Brick and concrete rubble is mainly generated at the stage of demolition of facilities at the location where the new development will be built, while asphalt pulveriser and track ballast waste are generated after road and track demolition. The most commonly generated wastes are soil and earth waste and rubble, stones, as well as waste from the repair and dismantling of buildings and road infrastructure. Many of them can be re-used at subsequent stages of works. The soil removed is a valuable raw material that may be applied in finishing works. Shrubs and branches from felling (if unavoidable), on the other hand, can be used as gardening material.

Waste generated on construction sites is increasingly being used commercially (e.g. concrete from demolition, which can be used as aggregate, asphalt pulp removed – asphalt waste used in construction processes, as part of road reconstruction or rehabilitation, including hardening of yards and roadsides or airport infrastructure). During construction and demolition work, metals, wood, glass, rubble, soil and earth and ballast, among others, are segregated.

Table No. 19 Breakdown of Budimex SA waste information.

		Budimex SA		
	Unit	2022		
		processed by Budimex SA	processed outside the premises of Budimex SA	total
<b>Waste to be recovered</b>				
<b>Hazardous waste</b>	<b>Mg</b>	<b>0.00</b>	<b>846.63</b>	<b>846.63</b>
Preparation for re-use	Mg	0.00	0.00	0.00
Recycling	Mg	0.00	13.39	13.39
Other forms of recovery	Mg	0.00	833.24	833.24
<b>Non-hazardous waste</b>	<b>Mg</b>	<b>1,102,260.14</b>	<b>687,124.45</b>	<b>1,789,384.59</b>
Preparation for re-use	Mg	0.00	0.00	0.00
Recycling	Mg	141,682.94	568,718.90	710,401.84
Other forms of recovery	Mg	960,577.20	118,405.55	1,078,982.75
<b>Total waste to be recovered</b>	<b>Mg</b>	<b>1,102,260.14</b>	<b>687,971.08</b>	<b>1,790,231.22</b>
<b>Waste to be disposed of</b>				
<b>Hazardous waste</b>	<b>Mg</b>	<b>0.00</b>	<b>2,497.52</b>	<b>2,497.52</b>
Incineration (with energy recovery)	Mg	0.00	914.50	914.50
Incineration (without energy recovery)	Mg	0.00	6.92	6.92
Storage at waste landfills	Mg	0.00	0.00	0.00
Other methods of waste management	Mg	0.00	1,576.10	1,576.10
<b>Non-hazardous waste</b>	<b>Mg</b>	<b>0.00</b>	<b>641,782.07</b>	<b>641,782.07</b>
Incineration (with energy recovery)	Mg	0.00	0.00	0.00
Incineration (without energy recovery)	Mg	0.00	0.00	0.00
Storage at waste landfills	Mg	0.00	1,194.11	1,194.11
Other methods of waste management	Mg	0.00	640,587.96	640,587.96
<b>Total waste to be disposed of</b>	<b>Mg</b>	<b>0.00</b>	<b>644,279.59</b>	<b>644,279.59</b>
<b>Total hazardous waste</b>	<b>Mg</b>	<b>0.00</b>	<b>3,344.15</b>	<b>3,344.15</b>
<b>Total non-hazardous waste</b>	<b>Mg</b>	<b>1,102,206.14</b>	<b>1,328,906.52</b>	<b>2,431,166.66</b>
<b>Total waste</b>	<b>Mg</b>	<b>1,102,206.14</b>	<b>1,332,250.67</b>	<b>2,434,510.81</b>

Budimex SA attaches great importance to the reprocessing and use of materials and waste. The non-hazardous waste processed by the Company loses its waste status and, as a post-recovery material, including recycling, is returned to the closed-loop process by being re-built during the course of construction works, after its suitability has been tested beforehand. In 2022, 45.3% of the non-hazardous waste generated was returned to the closed-loop process on the Company's projects. In addition, 28.3% of the non-hazardous waste generated was sent for recovery outside Budimex SA

- **Mostostal Kraków**

Waste generated by Mostostal Kraków SA is included in Table No. 21 Waste information breakdown – Budimex Capital Group.

- **FB Serwis Group**

Waste treatment processes are carried out at the mechanical-biological processing (MBP) systems and at landfills. Waste processing at MBP systems is carried out through mechanical and biological processes. In the mechanical part of the system, it is carried out on a sorting line that makes it possible to separate recyclable and recoverable waste, as well as the major fraction (which is then sent to authorised recipients) and the minor fraction processed in the biological part of the system in an aerobic stabilisation process conducted in bioreactors and a maturation yard. The waste generated by these processes, depending on its type and properties, is sent for recovery or neutralisation.

The FB Serwis Group operates two landfills for non-hazardous and inert waste and one landfill for hazardous waste containing asbestos. Once accepted at the landfill, the waste is disposed of by being placed in the quarters of the landfill. Some waste is used in landfills to create containment and reclamation layers, to create landfill slopes or to pave access roads. A summary of the waste processed is presented in Table No. 20 Waste information breakdown processed in the FB Service Group.

Table No. 20 Waste information breakdown processed in the FB Serwis Group

		FB Serwis SA		
	Unit	2022		
		processed within the plant	processed outside the plant	total
<b>Waste collected and directed for recovery</b>				
<b>Hazardous waste</b>	<b>Mg</b>	<b>10.27</b>	<b>0.00</b>	<b>10.27</b>
Preparation for re-use	Mg	0.00	0.00	0.00
Recycling	Mg	0.00	0.00	0.00
Other forms of recovery	Mg	10.27	0.00	10.27
<b>Non-hazardous waste</b>	<b>Mg</b>	<b>180,230.98</b>	<b>0.00</b>	<b>180,230.98</b>
Preparation for re-use	Mg	0.00	0.00	0.00
Recycling	Mg	18,594.01	0.00	18,594.01
Other forms of recovery	Mg	161,636.97	0.00	161,636.97
<b>Total waste collected and directed for recovery</b>	<b>Mg</b>	<b>180,241.25</b>	<b>0.00</b>	<b>180,241.25</b>
<b>Waste collected and directed for disposal</b>				
<b>Hazardous waste</b>	<b>Mg</b>	<b>0.50</b>	<b>0.00</b>	<b>0.50</b>
Incineration (with energy recovery)	Mg	0.00	0.00	0.00
Incineration (without energy recovery)	Mg	0.00	0.00	0.00
Storage at waste landfills	Mg	0.50	0.00	0.50
Other methods of waste management	Mg	0.00	0.00	0.00
<b>Non-hazardous waste</b>	<b>Mg</b>	<b>234,651.52</b>	<b>0.00</b>	<b>234,651.52</b>
Incineration (with energy recovery)	Mg	43,167.56	0.00	43,167.56
Incineration (without energy recovery)	Mg	57,503.92	0.00	57,503.92
Storage at waste landfills	Mg	126,354.92	0.00	126,354.92
Other methods of waste management	Mg	7,625.12	0.00	7,625.12
<b>Total waste collected and directed for disposal</b>	<b>Mg</b>	<b>234,652.02</b>	<b>0.00</b>	<b>234,652.020</b>
<b>Total hazardous waste</b>	<b>Mg</b>	<b>10.77</b>	<b>0.00</b>	<b>10.77</b>
<b>Total non-hazardous waste</b>	<b>Mg</b>	<b>414,882.50</b>	<b>0.00</b>	<b>414,882.50</b>
<b>Total waste</b>	<b>Mg</b>	<b>414,893.27</b>	<b>0.00</b>	<b>414,893.27</b>

Waste information breakdown for the Budimex Group can be found in Table No. 21 Waste information breakdown – Budimex Group.



Table No. 21 Waste information breakdown – Budimex Capital Group

		Budimex Group		
	Unit	2022		
		processed by the Companies of the Budimex Group	processed outside the premises of Budimex Group Companies	total
<b>Waste collected and directed for recovery</b>				
<b>Hazardous waste</b>	<b>Mg</b>	10.27	846.79	857.06
Preparation for re-use	Mg	0.00	0.00	0.00
Recycling	Mg	0.00	13.39	13.39
Other forms of recovery	Mg	10.27	833.40	843.67
<b>Non-hazardous waste</b>	<b>Mg</b>	<b>1,282,491.12</b>	<b>702,517.58</b>	<b>1,985,008.70</b>
Preparation for re-use	Mg	0.00	0.00	0.00
Recycling	Mg	160,276.95	568,773.85	729,050.80
Other forms of recovery	Mg	1,122,214.17	133,743.73	1,255,957.90
<b>Total waste collected and directed for recovery</b>	<b>Mg</b>	<b>1,282,501.39</b>	<b>703,364.37</b>	<b>1,985,865.76</b>
<b>Waste collected and directed for disposal</b>				
<b>Hazardous waste</b>	<b>Mg</b>	0.50	2,516.07	2,516.57
Incineration (with energy recovery)	Mg	0.00	914.50	914.50
Incineration (without energy recovery)	Mg	0.00	6.92	6.92
Storage at waste landfills	Mg	0.50	0.00	0.50
Other methods of waste management	Mg	0.00	1,594.65	1,594.65
<b>Non-hazardous waste</b>	<b>Mg</b>	<b>234,651.52</b>	<b>658,671.68</b>	<b>893,323.20</b>
Incineration (with energy recovery)	Mg	43,167.56	0.00	43,167.56
Incineration (without energy recovery)	Mg	57,503.92	0.00	57,503.92
Storage at waste landfills	Mg	126,354.92	1,271.95	127,626.87
Other methods of waste management	Mg	7,625.12	657,399.73	665,024.85
<b>Total waste collected and directed for disposal</b>	<b>Mg</b>	<b>234,652.02</b>	<b>661,187.75</b>	<b>895,839.77</b>
<b>Total hazardous waste</b>	<b>Mg</b>	<b>10.77</b>	<b>3,362.86</b>	<b>3,373.63</b>
<b>Total non-hazardous waste</b>	<b>Mg</b>	<b>1,517,142.64</b>	<b>1,361,189.26</b>	<b>2,878,331.90</b>
<b>Total waste</b>	<b>Mg</b>	<b>1,517,153.41</b>	<b>1,364,552.12</b>	<b>2,881,705.53</b>

## 7.6. Protection of water resources

[GRI 303-1] [GRI 303-2] [GRI 303-3] [GRI 303-4] [GRI 303-5]

### 7.6.1. Water

The management of water resources at Budimex SA constitutes one of the important issues managed under the CSR Strategy for 2021–2023. The demand and actual consumption of water resources depend to a large extent on the nature and stage of the implementation of contracts on which construction works are carried out in the balance sheet period. Water consumption is shown in Table No. 22 Water and wastewater.

- **Budimex SA**

Water is abstracted for domestic purposes of the Company's employees and service suppliers and is consumed as raw material in production and technological processes.

The main source of water intake is the existing local water supply networks. There are also situations where water is abstracted from the company's own intakes on the basis of held permits under the Water Law. Collected rainwater is also used, as well as sporadic surface water.

The protection of water resources is carried out on the basis of:

- activities in line with the requirements of the environmental management system,
- internal documentation, e.g. Environmental Task Plan for each implemented investment, which is an integral part of the Safety and Health Plan,
- obtaining the legally required permits under the Water Law,
- verification of the implemented policy by collecting data necessary for the preparation of statistics, reports, internal and legally required reports.

- **Mostostal Kraków SA**

Water consumption results from the day-to-day operation of the Company's headquarters, the Steel Structures Plant and the back offices of construction sites.

Protection of water resources is implemented through:

- activities that are in compliance with the Company's 'Integrated Management System Policy';
- internal documentation, i.e. Safety and Health plans, in which water abstraction is taken into account;
- when planning and carrying out work in the vicinity of watercourses, precautions are taken in accordance with the internal standard – 'Securing watercourses'.

- **FB Serwis Group**

Water abstraction for the operation of the facilities and the accompanying infrastructure is exclusively from the existing water supply network.

### 7.6.2. Changes in water and wastewater policies

- **Budimex SA**

The Company is working on a water footprint reporting manual. As part of its commitment to environmental due diligence, solutions are being developed to reduce water intake. The elements of the water footprint reporting manual being developed shall be:

- the amount of water consumed, taking into account the source of intake (water supply, deep well, surface water, rainwater, recycled water, wastewater) – the reading is to be carried out on the basis of measuring-devices,
- the volume of wastewater discharged, taking into account the source of the wastewater (domestic wastewater, mixture of domestic and industrial wastewater, industrial wastewater) and the receiver of the wastewater (sewerage network, another recipient of wastewater) – the reading is done on the basis of metering devices or it is an estimation based on water consumption,
- obligation to meter water intakes,
- supervision of water abstraction and data transfer.

### **7.6.3. Wastewater**

- **Budimex SA**

Domestic wastewater from offices and construction site rest and refreshment facilities is discharged into the sewerage network (if connectable) or collected in sealed, non-retention tanks and transferred to an authorised recipient on the list of regulated activities in the municipality (if it is not possible to connect the office/construction site to the sewerage network). Domestic wastewater is discharged based on the requirements of the operator of the sewerage network or wastewater treatment plant, in accordance with generally applicable regulations.

The industrial wastewater generated is subject to regular, periodic control for concentrations of constituents that may have a negative impact on the environment. The pollutant indicators to be determined and their permissible values are detailed in permits under the Water Law issued for the facilities. Wastewater samples are taken and tested by accredited laboratories at the required frequency.

Where wastewater is generated during construction work carried out, the following treatment standards have been established:

- Standard: 'Drainage and removal of water from excavations'
- Standard: 'Washing pumps and concrete mixers'
- Standard: 'Washing vehicle wheels'
- Standard: 'Works in the vicinity of standing and flowing waters'

- **Mostostal Kraków SA**

Domestic wastewater from offices and construction site rest and refreshment facilities is discharged to sewerage networks where there is the possibility of connection. If it is not possible to connect to the sewerage system, the wastewater is collected in sealed, non-drainage tanks and is transferred to an authorised recipient.

In the case of wastewater generated in connection with construction site work, a standard has been developed – 'Safe refuelling and washing of equipment and machinery'.

- **FB Serwis Group**

Domestic wastewater from offices and rest and refreshment facilities is discharged to sewerage networks where there is the possibility of connection. If it is not possible to connect to the sewerage system, wastewater is collected in sealed, non-returnable tanks and transferred to an authorised recipient.

Industrial wastewater is discharged to the sewerage devices of other entities (sewage collection station). The discharge of generated industrial wastewater is carried out on the basis of permits under the Water Law.

The permissible composition and quality of wastewater discharged from the facilities are regulated by the relevant ordinances, permits under the Water Law and the requirements of recipients of wastewater. An analysis of water intake and generated wastewater is presented in Table No. 22 Water and wastewater

Table 22 Water and wastewater

	Unit	Budimex SA			Budimex Group		
		2021	2022	year-on-year change	2021	2022	year-on-year change
Water consumption							
Water purchased	m3	107,768.9	111,861.1	3.8%	143,753.0	143,303.1	-0.3%
Water from own intakes	m3	917.6	58,956.1	-	1,835.1	65,252.1	-
Rainwater	m3	no data	6,530.0	-	no data	6,530.0	-
<b>Total water consumption</b>	<b>m3</b>	<b>108,686.4</b>	<b>177,347.2</b>	<b>-</b>	<b>145,588.2</b>	<b>215,085.1</b>	<b>-</b>
<i>Water consumption per total revenue</i>	<i>m3/PLN</i>	<i>15.4</i>	<i>23.6</i>	<i>53.0%</i>	<i>18.4</i>	<i>25.0</i>	<i>35.6%</i>
Wastewater							
Wastewater discharged to the municipal network	m3	27,807.1	37,413.1	34.5%	62,886.2	44,460.1	-29.3%
Wastewater discharged to another network	m3	0.0	238,640.1	-	0.0	288,281.4	-
<b>Total wastewater discharged</b>	<b>m3</b>	<b>27,807.1</b>	<b>276,053.2</b>	<b>-</b>	<b>62,886.2</b>	<b>332,741.4</b>	<b>-</b>
<i>Wastewater discharged per total revenue</i>	<i>m3/PLN</i>	<i>3.9</i>	<i>36.8</i>	<i>831.1%</i>	<i>7.9</i>	<i>38.6</i>	<i>385.7%</i>

In 2022, the range of monitored indicators for water consumption was extended – this situation results in partial incomparability of the reported data year-on-year, nevertheless the volume of purchased water remained in 2022 at a similar level to 2021 with a decrease of 0.3% recorded at Group level with an increase in construction and assembly production.

## 7.7. Impact on the local environment and biodiversity

[304-1] [304-2] [304-3] [304-4]

Budimex SA seeks to minimise its impact on the local environment and biodiversity by carrying out a number of activities related to the protection of plant and animal species and noise reduction. Work is carried out in accordance with the standards applicable to each company.

Below are examples of the standards of Budimex SA:

- storing hazardous waste in an environmentally safe manner;
- safe handling of liquid fuels during transport, storage and refuelling of equipment and vehicles;
- safe handling of hazardous substances during the transport, storage and use of these substances;
- equipping construction sites with an environmental kit to deal efficiently with minor spills and leaks in order to prevent environmental pollution;
- organisation of works causing emission of dust into the air in order to reduce dust nuisance;
- organisation of work generating noise emissions to reduce noise nuisance;
- organisation of works causing vibration to reduce vibration nuisance;
- organisation of works in proximity to still and flowing waters in order to make works in a river bed or in the basin of a lake, pond or sea as well as on the shoreline of watercourses and reservoirs safe for the aquatic environment;
- organisation of drainage works from temporary drains to protect standing and flowing waters from pollution discharged with groundwater and surface water (e.g. emission of suspended solids);
- cleaning vehicle wheels of mud and devices contaminated with concrete, cement-lime mixtures or gypsum in a manner that is safe for the aquatic and groundwater environment;
- ensuring that trees and shrubs are effectively protected from damage or destruction during construction works;
- ensuring effective protection and minimising losses to amphibian populations during construction work;
- clearly and comprehensibly marking waste collection sites, environmental protection infrastructure and environmental monitoring sites.

Permanent environmental monitoring is carried out on selected sites.

### **7.7.1. Due diligence in the Budimex Group's investments**

The Budimex Group performs service works on the basis of project documentation, the framework of which is determined by the Investor. For the majority of the ongoing investments, the investor is responsible for preparing the project, including public consultation and environmental impact level. Companies from the Budimex Group, acting as a general contractor, have no direct impact on the above-mentioned issues, except for situations where, being a designer within a given contract, they participate in the preparation of the investment in environmental and social terms. Nevertheless, the Budimex Group aims to reduce its environmental impact through measures such as:

- protecting trees and shrubs from mechanical damage associated with the use of heavy equipment,
- fencing/protecting animal and plant habitats,
- creating crossings for animals that are compatible with their migration routes,
- maintaining protection zones (ecotones) in forests,
- relocating plants from construction sites to new sites with the same or similar habitat and soil conditions (so-called metaplantation),
- protecting water bodies from potential pollution by chemicals,
- erecting noise barriers during construction work,
- placing signs on construction sites to provide information on sites for storing construction waste, washing pumps after concreting and areas requiring special care due to the presence of protected species or tree protection zones. The presence of appropriate signs is verified during Site Assessment System audits,
- having a so-called 'environmental kit', i.e. a kit for the rapid containment and neutralisation of spills of substances hazardous to the environment, such as oils and petroleum substances,
- Monitoring of impact areas and habitats on the site, introducing nature surveillance and nature observation, if required,
- restoring the site of the works to as close to its pre-construction condition as possible. For example, new trees are planted in place of trees that could not avoid being felled, and site restoration.

The Environmental Department specialists support the Group's pro-environmental activities by continuously monitoring the implementation of investments, analysing applications and issuing recommendations.

#### **Clash analysis**

- **Budimex SA**

Some of the contracts implemented in 2022 were carried out in protected areas, including one under a protected site – as defined by the Nature Protection Act, an area covered by one of the forms of nature protection (national park, nature reserve, landscape park, protected landscape area, NATURA 2000 area, nature monument, documentary station, ecological utility, nature and landscape complex, plant species protection, animal species protection, fungi species protection).

Most of them are linear investments, related to the construction of road and rail infrastructure, where it is not possible to avoid clashes with the protected area. A small proportion of investments are point investments related to urban or military infrastructure. Where clashes do occur, they most often involve NATURA 2000 areas, protected landscape areas and areas under animal species protection (due to the size of these areas). Clashes are also associated with areas under plant species protection and landscape parks. Individual clashes occur in the areas of national parks, nature reserves, nature and landscape complexes, nature monuments and ecological utilities, as well as areas under species protection for fungi (they are mainly associated with the implementation of investments of strategic importance).

The interference mainly concerns terrestrial ecosystems, to a lesser extent freshwater ecosystems and in one case the marine ecosystem.

- **Mostostal Kraków SA**

There was no activity in 2022 in areas of species protection of animals, plants and fungi.

- **FB Serwis Group**

There was no activity in 2022 in areas of species protection of animals, plants and fungi.

## 7.8. Nature conservation in the supply chain

[308-1] [308-2]

- **Budimex SA**

The Company sets standards of conduct with regard to due diligence, also with regard to the environment, including in particular biodiversity, at every stage of its investments in cooperation with entities along the entire value chain.

The supplier selected to carry out a specific task, in accordance with the operating procedure, is obliged to conclude an Agreement/Order, of which the Appendix – ‘Environmental Requirements’ – is an integral part. The supplier thereby expresses full readiness to cooperate with Budimex SA with regard to environmental protection in the process of preparation and implementation of construction. In particular, it is obliged to familiarise its employees with the Construction Health, Safety and Environmental Coordinator, the Waste Management Plan and the Environmental Tasks Plan included in the Safety and Health Plan.

Each supplier, on the basis of the Agreement concluded, is obliged to cooperate with Budimex SA with regard to: waste management, protection of the soil and water environment, protection of the atmosphere and acoustic environment, protection of flora and fauna and organisation of environmental protection. Prior to the commencement of deliveries or construction works, training on environmental requirements is carried out. Compliance with environmental requirements is verified during audits carried out on contracts by the Budimex S. A. Internal Audit Office and external verifiers. Suppliers are also assessed according to Budimex SA’s environmental criteria. In 2022, 2507 contractors were assessed, including 1,843 in the environmental area (Table No. 23).

**Table No. 23 Contractors assessed by the environmental criteria of Budimex SA**

	Number of contractors
Number of contractors assessed in 2022 on the basis of the procedures of Budimex SA	2,507
Number of contractors assessed according to the environmental criteria	1,843

## 8. Employee issues in the Budimex Group

### 8.1. We care for safety

#### 8.1.1. OHS management in the Budimex Group

[GRI 403-1] [GRI 403-2] [GRI 403-3] [GRI 403-7] [GRI 403-8]

As a company from the construction sector, the Budimex Group considers the OHS area as particularly important. Appropriate regulations and care for compliance with the OHS rules constitute a key element of our responsibility towards the employees and important stakeholders, who expect that we will adhere to the highest standards during the performance of contracts.

Providing employees with safe working conditions is included in the basic values of the Budimex Group, and the OHS issues constitute one of the main areas of the CSR Strategy for 2021–2023.

Since 2019, Budimex has had the ISO 45001 certificate – Occupational Health and Safety Management Systems. Mostostal Kraków also obtained this certificate. ISO 45001 assumes the engagement of all entities participating in the investment process in the creation of a safe workplace.

In the Budimex Group, in addition to the management systems, the ‘Ferrovia Minimum Health and Safety Standards’ are in force. Their main objective is to organise the construction process taking into account the principle that everyone – both employees of the Group and business partners of the constituent companies – should return to their families and loved ones after finishing work. The document further emphasises: ‘nothing should stop us from respecting the safety rules for which we must always find time’.

In addition to the Ferrovia standards themselves, the Group is implementing the ‘Safety Standards of the Agreement for Safety in Construction’, of which Budimex SA is a signatory and a founding member. They presuppose the unification of the approach to cooperation with business partners by the signatories of the Agreement, and impose rules for the safe execution of works aimed at improving safety on the signatories’ construction sites.

#### ‘OHS Policy’ of the Budimex Group

The Health and Safety Policy of the Budimex Group is a commitment of the company’s top management indicating that the Budimex Group uses experience, technical solutions and effective management systems to ensure safe and hygienic working conditions on the contracts it executes, which effectively prevent accidents, near-misses and occupational diseases of employees of companies and subcontractors and make it possible to maintain a high level of occupational safety.

The specific objectives of the aforementioned Policy are:

- Ensuring the organisation’s context relevant to the scope of operations, including all stakeholders and associated risks and opportunities,
- Ensuring, overseeing and reducing health and safety risks in accordance with the hierarchy of supervision principle,
- Monitoring and strictly complying with applicable legal and other regulations in the area of health and safety and related to the activities of the company concerned,
- Ensuring proper training of employees of Budimex Group companies in order to raise their commitment and awareness for the improvement of working conditions and to build leadership at every organisational level,
- Creating conditions for all employees and their representatives to be consulted and participate in the creation of common safety by supporting initiatives for the improvement of OHS processes,
- Continuously improving the health and safety management system by implementing the best available practices to prevent incidents, and building a culture committed to health and safety.

The **FBSerwis Group** is part of the Budimex Group and, like its owner, considers the area of health and safety to be of key importance both in the context of contractual tasks and in every other area of its business. Adequate regulation and attention to the observance of health and safety rules are an important element of FBSerwis’ responsibility towards its employees, as well as other important stakeholders who expect the highest standards from the company in its operations. Providing employees with safe working conditions is included in the basic values of the FBSerwis Group, and the OHS issues constitute one of the main areas of the CSR Strategy for 2021–2023.

The FBSerwis Group respects the ‘Health and Safety Policy’ of its owner.

**Mostostal Kraków SA** also applies the ‘Health and Safety Policy’ of its parent company and respects the health and safety rules established therein. In addition, the company has a separate Integrated Management System policy under which, in the area of occupational health and safety, it declares:

- Systematic identification and elimination of accident hazards,
- Identification of external and internal factors relevant to the OHS management system, monitoring the context of the organisation,
- Improving actions to prevent the possibility of accidents at work, occupational diseases and others related to working environment conditions,

- Improving working conditions by continuously verifying the efficiency of devices and introducing new ones that reduce or eliminate harmful working environment factors,
- Involving all employees in activities to improve occupational health and safety.

### **Occupational medicine**

Budimex fulfils its obligations in the field of occupational medicine by referring its employees for preliminary and periodic examinations.

The companies of the Budimex Group have concluded contracts for the provision of occupational medicine with Medicover Polska Sp. z o.o., which is active in the provision of comprehensive medical services and, as a medical entity, manages, for example, the 'Outpatient Care Centre' enterprise, whose facilities are the basic units of the occupational medicine service. Medicover is entitled to provide healthcare within the meaning of the Act of 27.06.1997 on Occupational Medicine Services and to conduct medical examinations of employees and issue medical certificates pursuant to the Regulation of the Minister of Health and Social Welfare of 30.05.1996 on conducting medical examinations of employees, the scope of preventive healthcare for employees and medical certificates issued for the purposes provided for in the Labour Code and other provisions of universally applicable laws, in particular the Labour Code.

Budimex SA commissions, and Medicover accepts, the provision of occupational medicine services for employee candidates and employees, in the scope of:

- carrying out preliminary examinations of candidates for employees;
- carrying out periodic and check-up examinations;
- medical certification for the purposes provided for in the Labour Code and regulations issued on its basis;
- monitoring the state of health of employees belonging to groups at particular risk, as well as adolescents, the disabled and women;
- conducting analyses of the state of health of employees, in particular the occurrence and causes of occupational diseases and accidents at work;
- participation in meetings of the occupational safety and health committees and issuing opinions to the post-accident committees;
- collecting, storing and processing information on occupational risks and the state of health of employees covered by preventive medical care;
- preventive vaccinations necessary due to the work performed – depending on the working conditions and types of risks – in accordance with the law, without the cost of vaccines.

In addition, an extensive package of medical benefits is available for employees, including: a psychologist, psychiatrist and other specialists, such as a dentist.

For candidates for employees and for Budimex Group employees covered by the contract with the company, Medicover also performs examinations for sanitary and epidemiological purposes, if they are necessary for the employee/candidate to perform the duties at a specific work station.

A referral to a Medicover doctor for an employee or candidate for employee is issued by the employer. The referral provides information such as:

- the type of examination to which the employee/candidate employee is referred (initial, periodic, check-up or sanitary-epidemiological),
- identification of the work station(s) at which the employee/candidate is to work,
- hygienic conditions of the work stations, in particular the results of measurements of noxious and strenuous factors carried out by laboratories (in accordance with the legislation in force),
- data on the way the work is performed, in particular forced body positions, monotonous movements,

On the basis of the referral, the employee/candidate is referred to the consultations and examinations necessary for the issue of the certificate.

Subsequently, on the basis of the results of the commissioned examinations and consultations, the doctor authorised to carry out occupational medicine examinations issues a certificate on the absence or existence of contraindications to perform work at a given work station.

As part of the process described above, the Budimex Group is obliged to:

1. provide information on the existence of factors or onerous conditions that are harmful to health together with up-to-date results of tests and measurements of such factors;
2. ensure the participation of Medicover representatives in Health and Safety Committee meetings;
3. make available documentation containing the results of the control of working conditions, in the part concerning health protection.



Health care services are provided at Medcover Centres, Damian Centre and facilities cooperating with Medcover. The employer assists employees in making appointments for occupational health examinations by contacting the Medcover Helpline. In the case of commencement of work on a new construction contract, which is located far away from large cities where Medcover branches are located, Budimex, in cooperation with the company, requests Medcover to conclude a contract with medical facilities located near the construction site in order to facilitate access to medical services for Budimex SA employees.

### **OHS Committee and OHS Executive Committee**

In the companies of the Budimex Group, OHS Committees operate with the participation of representatives of the employees and the employer, who represents all employees. Their task is to carry out weekly OHS checks on all contracts. Inspection information and recommendations are collected in one site for easy monitoring.

In late 2019/early 2020, in addition to the Health and Safety Committee, a Health and Safety Executive Committee was established at Budimex SA on the initiative of the Company's President, consisting of Company Presidents, Construction Directors, Branch Directors and the Director of the Occupational Safety Office. This group takes strategic action on the Group's health and safety directions.

In line with the 2022 plan, four Committee meetings were convened during the period. Their regular focus was on discussing the company's current health and safety statistics and deciding on courses of action to ensure safe working conditions. In the period covered by the report, the Committee appointed several working groups, whose aim was to:

- Create a procedure and implement the Observation Programme in the Budimex Group,
- Adapt and update the Accident Procedure and related documentation and processes,
- Compile and standardise the scheme for conducting coordination meetings on construction sites,
- Update and communicate vertical transport rules.

Employees at various levels of the organisation are involved in monitoring safety. The OHS services carry out OHS inspections on contracts. The team of internal auditors monitors the proper functioning of the security system by means of system audits. Compliance of the organisation of work on projects is verified by Site Assessment System audits. Since 2019, a group of management staff of Budimex SA has been conducting Senior Management Visits to build the culture of safety at all levels of the organisation. The Group's employees also have access to an IT system that allows them to report all observations, incidents and accidents, which are then subject to analysis by the Occupational Safety Office.

## **8.1.2. Accident prevention and OHS training**

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

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

Within periodic training conducted by their immediate supervisors, employees can update their knowledge of the most important OHS threats and regulations related to the tasks they perform. In the Group, numerous campaigns were carried out, including on the health and safety standards in force at Budimex – both on the intranet (articles) and using standard communication tools (posters and leaflets distributed in offices and on construction sites). Numerous health and safety training courses were held for the company's employees in 2022. More than 450 initial training sessions and almost 400 periodic training sessions were conducted. Training is also provided throughout the year as part of the Contract Manager's Academy and the Young Engineer's Academy, which include a separate module on health and safety.

### **Safety Week**

In 2022, Budimex once again held its annual 'Safety Week'. As part of this company-wide initiative, a number of activities were prepared to promote working with safety principles. First aid training sessions were held, as well as the 'Extinguish Academy', that is, fire training. The slogan for 'Safety Week 2022' was: 'Don't let your life end at work'. During the project, the following webinars took place: 'Breast cancer prevention', 'Smartbreaks', 'oGrom safety information – meeting a former soldier from a military entity', 'Health and Safety Leadership' and 'Safe Driving'.

'**Safety in construction**' is a project promoting the safety culture among the employees of Budimex SA. The basic assumption is to change the paradigm of thinking about safety and to redirect attention from formal issues (legal acts, instructions, etc.) to people and their decisions and actions. The second important element is the perception of safety as a process that requires the everyday involvement and work of every employee, at every stage of work. The main objective of the project is to generate the attitude of co-responsibility for security issues among Budimex employees by referring to values, sense of personal agency, co-responsibility for one another and formation of good habits in the scope of thinking and acting. The project included: educational and promotional videos, webinars and one-page summaries containing key information.

Invited guests included people from the world of business and science, who, because of their professional experience, were able to share valuable knowledge with Budimex employees and inspire a new outlook on safety.

Experts – Katarzyna Wojtaszyn and attorney Andrzej Janicki, sharing their experience in the field of legal liability for accidents on construction sites, showed how certain decisions, actions or omissions may be interpreted from the perspective of collecting evidence or litigation in health and safety cases.

### **Other health and safety activities**

Information from the area of occupational safety has also been included in cyclical educational and development programmes carried out in the Budimex Group. As part of the **‘Young Engineer Academy’**, online training courses dedicated to young construction engineers were held, presenting the most important aspects of safety management at the construction contract level, cooperation with subcontractors and practical application of this knowledge on the example of work at height (which occur in many projects implemented by the Group).

In the case of the **‘Contract Manager Academy’** – a development programme that prepares employees for the role of contract managers – dedicated webinars were organised on building a safety culture and leadership in this area, as well as new responsibilities for implementing safety strategies at the level of future teams.

In the first quarter of 2022, a **‘Step Up’** campaign was carried out on all contracts and investments implemented by the Budimex Group, with the aim of raising the health and safety awareness of supervisory staff and production employees, including through the implementation of Senior Management Visits, combined with meetings with local implementation teams and discussions on practical ways to deal with occupational safety challenges. The activity was aimed at triggering two-way communication and promoting partnerships on the subject between company management and the workers on whom safety depends directly.

In this way, Budimex provides employees and their supervisors with the opportunity to act independently and make their own choices, in line with the latest global practices. As part of the programme, health and safety training was held for all operators and drivers working on Infrastructure Construction Division sites.

In June 2022, Budimex held a **‘Vertical Transport’** campaign to reinforce safe behaviour during the work carried out in this area. An instructional video, posters, material packs and banners with the most important rules regarding vertical transport were prepared for the campaign. In addition, crane operators were given life bands as part of the project.

**‘Health and Safety Leadership’** is an internal training course designed for Senior Management and aimed at spreading a culture of health and safety in the organisation.

Throughout the year, Budimex actively participates in **‘Agreement for Safety in Construction’**. As part of the work of the Covenant, Budimex cooperates in a working group for the preparation of Safety Week.

In the Budimex Group, every health and safety incident is described both in accordance with the requirements of Polish law, but also in accordance with the procedures and classification adopted by the strategic investor, the Ferrovial Group. The Group’s internal self-regulations are more detailed than the provisions of local law. The Company also conducts in-depth analyses of health and safety incidents defined internally as HiPo (High Potential – Fatal Potential). As defined, this is any near-miss and accident that could otherwise result in real, serious injury/sickness, death or serious damage to property.

Conclusions from such incidents are discussed at weekly meetings held by the Group’s top management among several hundred executives across the company (so-called EIR, i.e. **‘Executive Incident Review’**) and then cascaded down to the entire organisation as a so-called **‘lesson learnt’** and, in agreed cases, other actions are taken at the company and contract level.

The organisation has decided that not every accident in the same category is accompanied by the same potential outcome, so Budimex Group has focused on a detailed analysis of the most serious ones, which has made it possible to significantly reduce absenteeism and serious bodily injuries.

This approach not only allowed for a more thorough analysis and a better adaptation of the solutions to the company-wide structure, but, thanks to the involvement of senior management, gave the right weight to the decisions taken and provided the required resources for their implementation.

Examples of implemented decisions after meetings for the entire organisation included:

- Mandatory use of TMA barriers for work under traffic, at the site of employee exposure
- Expansion of leadership training referrals to include employees of other Budimex Group companies.

In addition to the above steps, based on the incident analysis and in order to improve the company’s operations, working groups consisting of representatives of H&S and specific business areas were formed to introduce solutions for the entire Budimex Group. This resulted in the development of, for example:

- Observation Programme,
- Policy for cooperation with Subcontractors,
- Standardisation of training and briefings,
- Update of vertical transport rules.

### **COVID-19 prevention**

As part of the Covid-19 prevention activities, Budimex Group employees were informed about the need to contact a doctor after the onset of cold or flu symptoms. In addition, during the year, at times of increased incidence, employees were reminded of the need to: wear masks in communal spaces, disinfect their hands frequently, limit group meetings where possible, organise meetings using remote communications and keep a social distance in face-to-face interactions.

Budimex employees were obliged to provide their superiors with information on the identified incidence of COVID-19, in order to keep statistics to assess the risk and take preventive action.

On an ongoing basis, Budimex Group employees were able to use purchased and available tests, masks and disinfectant fluids.

### **Occupational Health and Safety Risk**

The exposure of Budimex Group employees to risks depends on the nature of the work performed. In the case of construction contracts, they are mainly related to the risk of falling from a height or injury in contact with construction machinery. With regard to Mostostal Kraków SA, risks arise from the use of band saws and machinery with moving parts needed to process steel structures, transporting structures by overhead crane and loading and unloading them.

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

All accidents, regardless of their effect, are treated in the Budimex Group very seriously. Every incident is communicated throughout the organisation with alerts.

In the Budimex Group, the nature of the work is very extensive, which means that many methods are used to assess and minimise work-related risks. Some of the basic elements are:

- Safety and Health Plan – which sets out the procedures and rules as well as the risks and their prevention prevailing on site;
- The Safe Work Instruction – which is the basis for determining how to carry out the work safely for the identified task and assessing the risks involved;
- On-the-job training with risk assessment – familiarising employees with the principles of how to perform their work safely on a given station, along with familiarising them with the occupational risks associated with its performance;

The organisation maintains a register of operational and strategic risks identifying hazards, their impact and ways of minimising them for the entire Budimex Group

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

Table No. 24 Indicators concerning OHS issues

	Budimex SA			Budimex Group		
	2021	2022	change y/y	2021	2022	change y/y
<b>Accidents among employees</b>						
Number of accidents, including:	64	62	-3.13%	110	86	-21.82%
Minor accidents	64	60	-6.25%	110	84	-23.63%
Serious accidents	0	1	-	0	1	-
Fatal accidents	0	1	-	0	1	-
Collective accidents	0	0	-	0	0	-
<b>Accidents among subcontractors' employees</b>						
Number of accidents, including:	38	48	26.32%	43	55	27.91%
Minor accidents	34	48	41.18%	39	55	41.03%
Serious accidents	0	0	-	0	0	-
Fatal accidents	4	0	-100.00%	4	0	-100.00%
Collective accidents	0	1	-	0	1	-
<b>Accident rate for all accident types</b>						
Accident frequency indicator (accidents at work per 1,000 employees)	12.38	12.21	-1.33%	15.94	12.25	-23.15%

Table No. 25 Accident rates for all types of accidents (accidents at work per 1,000 employees)

Accident type	Budimex SA			Budimex Group		
	2021	2022	change y/y	2021	2022	change y/y
Minor accidents	12.33	11.82	-4.16%	15.85	11.96	-24.54%
Serious accidents	0.00	0.20	-	0.00	0.14	-
Fatal accidents	0.00	0.20	-	0.00	0.14	-
Collective accidents	0.00	0.00	-	0.00	0.00	-

Table No. 26 Other health and safety indicators

Other OHS indicators				
	Budimex SA	Budimex Group	Budimex SA	Budimex Group
	2021	2021	2022	2022
Number of employees working in a given year in conditions where the maximum permissible concentrations or maximum permissible intensities are exceeded	739	1,025	12	164
Number of days of incapacity for work caused by accidents	1,379	3,642	1,330	2,337
Accident severity indicator (number of days of incapacity for work per accident)	21.5	33.1	21.5	27.2
Accident frequency rate				
Number of hours worked own workers			10 699 504,00	13 945 976,44
Number of hours worked subcontractors' employees			14 089 712,00	14 641 397,00
Accident frequency rate (accidents at work per 1,000,000 hours worked) – own workers	-	-	5.8	6.2
Accident frequency rate (accidents at work per 1,000,000 hours worked) – subcontractors' employees	-	-	3.4	3.8
Accident frequency rate (accidents at work per 1000000 hours worked) – own workers minor accidents			5.61	6.02
Accident frequency rate (accidents at work per 1000000 hours worked) – own workers serious accidents			0.09	0.07
Accident frequency rate (accidents at work per 1000000 hours worked) – own workers fatal accidents			0.09	0.07
Accident frequency rate (accidents at work per 1000000 hours worked) – subcontractors' employees minor accidents			3.41	3.76
Accident frequency rate (accidents at work per 1000000 hours worked) – subcontractors' employees serious accidents			0.00	0.00
Accident frequency rate (accidents at work per 1000000 hours worked) – subcontractors' employees fatal accidents			0.00	0.00
Indicators of occupational diseases				
Number of occupational diseases observed in a given year	0	0	0	0

**Main types of accidents (types of injury)**

For own-force employees, the TOP4 are:

- Need for medical consultation – **24**
- Joints sprains and dislocations – **17**
- Superficial wounds – **15**
- Fractures – **8**

For Subcontractor employees, the TOP4 are:

- Superficial wounds – **14**
- Fractures – **9**
- Sprains and dislocations – **8**
- Open wounds – **8**

In the Budimex Group, all incidents and accidents are analysed and then selected ones are assigned a High Potential (HIPO) of fatality, *which is defined as any near miss and accident that could otherwise result in real, serious injury/sickness, death or serious damage to property.*

The main incidents and accidents with the potential to be fatal in 2021 were overturns of mobile equipment and failures of lifting operations. In 2022, the balance of such incidents was successfully reduced.

**Table No. 27 Main causes of accidents (1)**

Category/Year	2021	2022
Overturning of equipment	17	14
Failure of lifting operations	12	8

Failure of lifting operations:

- Introduction of updated rules for crane operators, in conjunction with other General Contractors who are members of the Agreement for Safety in Construction,
- Updated rules for ordering formwork and reinforcing steel,
- Vertical transport campaign implemented from 27 June to 1 July.

At the same time, new types of incidents with fatal potential have occurred in 2022. These are:

**Table No. 28 Main causes of accidents (2)**

Category/Year	2021	2022
Unintentional contact with utilities and systems	10	26
Work-related road accident	6	17

**Budimex Group** complies with its legal obligation to monitor employees’ exposure to risks of factors harmful to health.

The Budimex Group identifies the factors harmful to health in the working environment for which tests and measurements are regularly carried out, having identified the sources of their emissions and the working conditions that affect the level of concentrations or intensities of these factors or the level of exposure to these factors. As a result of such studies, the NDN of vibrations with local effects was found to be exceeded at the station of a track worker in 2022, without taking into account personal protective equipment (anti-vibration gloves).

The results of the measurements appeared in the studies carried out at the end of 2022, measures to level this risk will be taken in 2023.

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

## **8.2. Management of the employee area**

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

- recruitment,
- principles of employment,
- remuneration and employee benefits,
- relocation of employees,
- periodic assessment,
- standards of development and training,
- ethical issues,
- counteracting mobbing and discrimination.

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

In 2022, a consistent HR policy resulting from the adopted Human Resources Management strategy was continued.

The structure for ensuring business continuity in the HR area is based on a model of competence centres (development, C&B, recruitment, employer branding, HR process optimisation systems), an operations centre (HR and payroll) and HR Managers assigned to the businesses and accountable to the HR Director at Budimex.

In the company, the Office of Communication and Public Relations, positioned within the structures of ZZL, is responsible for internal communication, as well as external communication and public relations.

### **Collective agreements**

#### **[GRI 2-30]**

The Budimex Group has the Company Collective Bargaining Agreement. The company's 4261 full-time employees are subject to collective agreements.

Working conditions of employees – Management Board members, are defined in the Remuneration Policy for Members of Budimex SA Bodies.

Working conditions for employees employed abroad are determined by the provisions of the Remuneration Regulations for the relevant market or, in the absence of the need for such regulations, by the provisions set out in employment contracts. The terms and conditions of employment in foreign markets are also governed by the established Policy on secondments to foreign markets and the Benefits Policy.

### 8.3. Employment structure

#### Employees of the Budimex Group

[GRI 2-7] [GRI 401-1] [402-1]

The number of employees in the Budimex Group as at 31 December 2022 amounted to 7,022 persons employed on employment contracts, with specified and indefinite terms. Thus, it was higher by 1.2% compared to the previous year.

The employment structure in 2022 and changes in relation to previous years are presented in the table below. Expanded data on the employment structure as at 31 December 2022 can be found in the **Appendix**.

Table No. 29 Employees on permanent and fixed-term contracts year-on-year

per person	Budimex Group								
	2021			2022			year-on-year change		
	W	M	W+M	W	M	W+M	W	M	W+M
<b>Polish market</b>	1,444	4,580	6,024	1,540	4,576	6,116	6.6%	-0.1%	1.5%
employed for a definite period of time	314	1,175	1,489	326	1,042	1,368	3.8%	-11.3%	-8.1%
employed for an indefinite period of time	1,130	3,405	4,535	1,214	3,534	4,748	7.4%	3.8%	4.7%
employed on a full-time basis	1,414	4,545	5,959	1,511	4,551	6,062	6.9%	0.1%	1.7%
employed on a part-time basis	30	35	65	29	25	54	-3.3%	-28.6%	-16.9%
aged from 51	92	982	1,074	99	1,026	1,125	7.6%	4.5%	4.7%
aged from 31 to 50	852	2,757	3,609	939	2,776	3,715	10.2%	0.7%	2.9%
up to 30 years of age	500	841	1,341	502	774	1,276	0.4%	-8.0%	-4.8%
<b>German market</b>	4	911	915	11	895	906	175.0%	-1.8%	-1.0%
employed for a definite period of time	1	885	886	4	867	871	300.0%	-2.0%	-1.7%
employed for an indefinite period of time	3	26	29	7	28	35	133.3%	7.7%	20.7%
employed on a full-time basis	4	911	915	10	895	905	150.0%	-1.8%	-1.1%
employed on a part-time basis	0	0	0	1	0	1	-	-	-
aged from 51	3	294	297	3	297	300	0.0%	1.0%	1.0%
aged from 31 to 50	1	487	488	8	475	483	700.0%	-2.5%	-1.2%
up to 30 years of age	0	130	130	0	123	123	-	-5.4%	-5.4%
<b>Total</b>	<b>1,448</b>	<b>5,491</b>	<b>6,939</b>	<b>1,551</b>	<b>5,471</b>	<b>7,022</b>	<b>7.1%</b>	<b>-0.4%</b>	<b>1.2%</b>

Due to changes in the assignment of stations to categories, middle management and other employees, the data in the tables broken down by grade may not be partially comparable year-on-year (during the reporting period, the Company implemented a new position tariff). For this reason, year-on-year comparable data is published in the table above. Employment details by grade are published only for the status as at 31 December 2022.



Table No. 30 Employment structure in the Budimex Group in 2022

per person	Budimex Group		
	2022		
	W	M	W+M
<b>Senior staff, including:</b>	<b>32</b>	<b>171</b>	<b>203</b>
aged from 51	9	33	42
aged from 31 to 50	23	138	161
up to 30 years of age	0	0	0
<b>Middle-level staff, including:</b>	<b>283</b>	<b>1,196</b>	<b>1,479</b>
aged from 51	16	132	148
aged from 31 to 50	234	962	1,196
up to 30 years of age	33	102	135
<b>Other employees, including:</b>	<b>1,236</b>	<b>4,104</b>	<b>5,340</b>
aged from 51	77	1,158	1,235
aged from 31 to 50	689	2,151	2,840
up to 30 years of age	470	795	1,265
<b>Employees at all levels of the structure</b>	<b>1,551</b>	<b>5,471</b>	<b>7,022</b>
aged from 51	102	1,323	1,425
aged from 31 to 50	946	3,251	4,197
up to 30 years of age	503	897	1,400
<b>Total for all levels of structure</b>	<b>1,551</b>	<b>5,471</b>	<b>7,022</b>

Table No. 31 Admission of new employees

per person	Budimex Group								
	2021			2022			year-on-year change		
	W	M	W+M	W	M	W+M	W	M	W+M
<b>Polish market</b>	<b>346</b>	<b>1,109</b>	<b>1,455</b>	<b>290</b>	<b>792</b>	<b>1,082</b>	<b>-16.2%</b>	<b>-28.6%</b>	<b>-25.6%</b>
aged from 51	29	140	169	8	120	128	-72.4%	-14.3%	-24.3%
aged from 31 to 50	97	547	644	129	425	554	33.0%	-22.3%	-14.0%
up to 30 years of age	220	422	642	153	247	400	-30.5%	-41.5%	-37.7%
<b>German market</b>	<b>1</b>	<b>736</b>	<b>737</b>	<b>4</b>	<b>721</b>	<b>725</b>	<b>300.0%</b>	<b>-2.0%</b>	<b>-1.6%</b>
aged from 51	1	195	196	0	207	207	-100.0%	6.2%	5.6%
aged from 31 to 50	0	414	414	6	377	381	-	-8.9%	-8.0%
up to 30 years of age	0	127	127	0	137	137	-	7.9%	7.9%
<b>Total</b>	<b>347</b>	<b>1,845</b>	<b>2,192</b>	<b>294</b>	<b>1,513</b>	<b>1,807</b>	<b>-15.3%</b>	<b>-18.0%</b>	<b>-17.6%</b>

Table No. 32 Employee departures

per person	Budimex Group								
	2021			2022			year-on-year change		
	W	M	W+M	W	M	W+M	W	M	W+M
<b>Polish market</b>	<b>302</b>	<b>1,509</b>	<b>1,811</b>	<b>191</b>	<b>767</b>	<b>958</b>	<b>-36.8%</b>	<b>-49.2%</b>	<b>-47.1%</b>
aged from 51	28	340	368	9	172	181	-67.9%	-49.4%	-50.8%
aged from 31 to 50	166	827	993	118	431	549	-28.9%	-47.9%	-44.7%
up to 30 years of age	108	342	450	64	164	228	-40.7%	-52.0%	-49.3%
<b>German market</b>	<b>0</b>	<b>703</b>	<b>703</b>	<b>1</b>	<b>765</b>	<b>766</b>	<b>-</b>	<b>8.8%</b>	<b>9.0%</b>
aged from 51	0	210	210	0	237	237	-	12.9%	12.9%
aged from 31 to 50	0	372	372	0	395	395	-	6.2%	6.2%
up to 30 years of age	0	121	121	0	133	134	-	9.9%	10.7%
<b>Total</b>	<b>302</b>	<b>2,212</b>	<b>2,514</b>	<b>192</b>	<b>1,532</b>	<b>1,724</b>	<b>-36.4%</b>	<b>-30.7%</b>	<b>-31.4%</b>

The Capital Group does not have a defined number of days required to notify changes in employment conditions. The number depends on the nature of the individual processes. Changes to individual working conditions are made before they come into force. Internal regulations are modified within the regulatory deadlines (e.g. mandatory 2 weeks for entry into force). Good practices adopted by the Capital Group, however, assume that any change is preceded by a communication action, including, as a rule, the organisation of additional briefing meetings, the preparation of information materials and question-and-answer documents, for the sake of clarity and transparency. For example, in July and August 2022, Budimex was in the process of amending bonus regulations for a group of approximately 1,000 employees. Ten briefing meetings were organised before these changes came into force.

The notice period of the Collective Bargaining Agreement to which Budimex SA is subject is indicated in the Collective Bargaining Agreement (3 months). In 2022, Budimex SA agreed with the Trade Union on changes to the position table, which were implemented by Additional Protocol No. 1

Employment ratios for the parent company Budimex SA are available in the appendices to this report.

Table No. 33 Net turnover indicator for employees under employment agreements for a definite and indefinite period of time

Budimex Group								
2021			2022			year-on-year change		
W	M	W+M	W	M	W+M	W	M	W+M
-3.1%	6.7%	4.7%	-6.8%	0.3%	-1.3%	-3.7%	-6.5%	-6.0%

## 8.4. Remuneration in the Budimex Group

[GRI 202-1] [GRI 405-2] SDG 8

The remuneration policy is an element of the instruction creating the system of the HR area management.

According to the data published by Statistics Poland, the average monthly gross remuneration in Poland in 2022 amounted to PLN 6,733.49. The average gross monthly remuneration for all employees of the Budimex Group was PLN 12,980 while the average monthly remuneration for **other employees** (this category includes mainly employees in specialist positions and blue-collar employees) was PLN 9,549.

Table No. 34 Average gross monthly remuneration

PLN	2021						2022					
	Budimex SA			Budimex Group			Budimex SA			Budimex Group		
	W	M	medium	W	M	medium	W	M	medium	W	M	medium
Senior management staff	31,144	58,344	53,325	30,255	55,106	50,795	34,387	61,700	57,253	33,817	58,241	54,391
Managers	12,162	16,478	15,154	11,748	15,591	14,445	17,042	21,514	20,666	16,342	20,475	19,684
Other employees	6,699	9,064	8,667	6,647	8,009	7,809	10,319	11,579	11,233	9,408	9,591	9,549
<b>All employees</b>	<b>10,794</b>	<b>14,076</b>	<b>13,300</b>	<b>10,155</b>	<b>12,136</b>	<b>11,722</b>	<b>12,143</b>	<b>16,181</b>	<b>15,175</b>	<b>11,177</b>	<b>13,491</b>	<b>12,980</b>

## 8.5. Work atmosphere and development of employees

### 8.5.1. Development, promotions and training

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

The rules for the implementation of training in the Budimex Group are regulated internally. The staff development planning process is part of the appraisal and goal-setting process for a given year. The individual training and development needs of employees are identified during the employee's discussion with the supervisor as part of their development planning. On the basis of the established development goals, the HR Development and Systems Office develops the necessary training and development activities.

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

Developmental activities are carried out according to the 70:20:10 model, i.e. 70% of development through practical implementation of tasks, 20% through support from others (e.g. supervisor, Coach, Mentor, etc.), and 10% through training.

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

## **Development programmes in the Budimex Group**

### **Coaching processes**

Coaching processes in the Budimex Group are offered not only to top managers, but also to middle managers. These processes are implemented, both in central and production entities. Coaching is aimed at developing in the participant the competences indicated to be strengthened by the employee or his/her superior. Such a system makes it possible to achieve lasting changes in the employee's behaviour and attitude, leading to the maximisation of professional and personal potential. Coaching in the Budimex Group is carried out on the basis of a defined process and is confidential in nature. In this respect, the company cooperates with more than a dozen external coaches. Each time, a Budimex employee has the opportunity to choose a coach from among several experts and then hold familiarisation/testing meetings. On this basis, a decision is made on the selection of the Coach, and then the actual part of the coaching process is implemented, which consists of 7 +/- 2 sessions. At each stage of the process, the employee has access to the compilation of information materials, as well as the possibility to contact the Development and Training Specialist. This is a highly valued form of development among our employees.

### **Mentoring processes**

A new development project at Budimex was launched in 2022. The Mentoring process in the Budimex Group is formal and standardised. It has been developed in cooperation with external experts. It aims to support the development of employees in the organisation, during which each party builds a purposeful and partnership relationship. The implementation of the mentoring process is intended to translate into the achievement of business objectives, but also to build new competences and develop the potential of the Mentor and the Mentee.

As part of the implemented initiative, the role of Mentors has been taken on by more than a dozen employees. For both Mentors and Mentee, we have prepared a process for strengthening competencies and skills: a series of training sessions, webinars, as well as information (Mentor Guide, Mentee Guide) and educational materials regarding the project and their role.

At Budimex, we see a lot of potential benefits related to the implementation of this process in the organisation, and therefore we assume to continue the project in the near future, with further employees.

### **Contractor Academy**

A programme designed for specialists and experts newly employed in the Budimex Group and those with many years of experience in the organisation. The academy aims to build and systematise knowledge in the field of Contractual Conditions and to build a strong team of Experts who are a strong partner for the business and who exchange experience. The programme not only supports the development of knowledge and skills in the Contractual Conditions Office but also supports internal recruitment within the organisation allowing those who want to progress in this direction to change their career path.

The Academy's development programme is delivered in four blocks, i.e. contractual conditions, legal aspects, professional effectiveness and personal effectiveness. Workshops are conducted by both internal trainers and external experts. Twenty-five participants took part in the training sessions implemented in the first edition in 2022/2023.

### **Young Engineer's Academy.**

A programme aimed at newly recruited employees in the positions of Trainee Engineer and Construction Engineer. Its aim is to smoothly introduce these people to work in the organisation. The Young Engineer's Academy also standardises the key competencies required of engineers and allows them to work more effectively in accordance with the Budimex Group's rules. The programme is carried out in three thematic blocks: personal effectiveness, professional effectiveness and construction site safety. Ninety people took part in last year's edition.

**Engineer Academy** is a series of training courses conducted by internal and external experts in a given field, implemented in the organisation for the staff employed under contract. Their participants can broaden and update their technical knowledge and exchange good practices with the other people taking part in the project. Given the organisation's key strategic direction of safety, we have strengthened the 2022 Engineer Academy with a module dedicated to Coordination Meetings. A series of training courses – 'Me as a Construction Manager' – was developed in collaboration with the business, as well as with Health and Safety. 433 individuals participated in the Academy last year.

**The Contract Manager Academy** The Contract Manager Academy supports newly appointed contract managers and those preparing to be promoted to this station, in acquiring knowledge, substantive competencies, as well as managerial skills related to running a contract and managing a team.

The Academy's programme is divided into several stages, including: internal workshops, which are meetings with employees in a given area. This gives the programme participants the opportunity to learn about the entire construction contract management process, and to exchange experiences and obtain information from the best experts in the company. In addition to the substantive knowledge of Budimex standards, workshops on business security, negotiations, and team management have been prepared for those taking part in the Academy. Additionally, they can participate in a cafeteria of training courses that support them in developing

their individual needs. It is worth mentioning that a development and training specialist, as the academy supervisor, ensures that all participants receive appropriate support. 39 people participated in the programme in 2022.

#### **Development Programmes:**

**'Super Leader'** is a programme that aims to build leadership competencies among senior managers and executives by strengthening their ability to communicate strategy, develop subordinate teams and engage employees to achieve common goals. It consists of three modules, each of which presents a different leadership style. Participants in the 'Super Leader' undergo a diagnosis of the organisational climate and the leadership styles used, prior to the group sessions, in order to receive feedback and developmental guidance on the basis of this diagnosis. In the next steps, programme participants hone their skills in workshops, interspersed with coaching and master class sessions and implementation tasks. Each participant also receives a set of materials to work on the development of the particular leadership style. In total, more than 200 managers have been invited to the three editions of the 'Super Leader' programme. More than 1,000 employees have provided feedback at the diagnosis stage. The programme is carried out in cooperation with business partners – leaders in the market for consulting and training services.

**'Managerial Stairs'**, i.e. the path of developing managerial skills from the beginner manager to the top management, taking into account the level of the position held, previous experience and competences necessary for effective management at particular career levels. The programme consists of four stages which gradually expand the participant's knowledge. The programme catalogue includes a wide range of training courses, delivered on-site and online by external trainers. Workshops are held periodically for closed and open training groups.

**Webinars for managers** on leadership. These are 60/90-minute meetings with external experts. Their aim is to inspire managers to develop their emotional intelligence, take care of their mental wellbeing, build relationships in teams, increase their vital energy and also show subordinates recognition effectively.

**Cast-Iron Success** – a significant part of the training activities includes special programmes supporting given groups of employees. One of them is 'Cast-Iron Success', a project supporting the professional development of women in the Budimex Group, as well as creating opportunities to increase their number in managerial positions.

The programme is designed for women working on construction contracts and in support functions. 'Cast-Iron Success' provides an opportunity to gain knowledge and skills, and to develop competencies. In 2022, a record number of 47 female participants – from specialists to managers – were invited to the 3rd Edition of the programme. The programme consists of four workshops, in between which participants complete implementation tasks to support the development of skills acquired during the training. There are 4 modules: 'My skills, my talents, my new self', 'My personal effectiveness', 'My self as a Manager', 'My brand, my authority'. The classes shall be carried out by external experts. Appropriately long breaks are planned between meetings so that each project participant can implement the knowledge gained during the training in their daily work.

#### **Continuous Growth**

The 'Continuous Growth' development programme is a project dedicated to persons with high development potential, working in specialist and managerial positions. The main objective of the programme is to enhance skills, and strengthen the key competences of the future in the field of emotional intelligence, decision-making and strategic aspects of management. Participants in the programme were able to deepen the knowledge they gained during 'So WHOT' implementation sessions, where they shared their successes, discussed case studies and jointly searched for the right solutions. During the programme, participants received newsletters deepening the topics covered during the workshops, as well as access to podcasts, webinars and inspirational multimedia messages.

#### **ESG**

Following the publication of the European Union's Taxonomy Act, Budimex and Ferrovia are required to carry out an activity analysis to determine their contribution to the environmental objectives of the Taxonomy, such as climate protection and climate change adaptation. The aim of the Taxonomy is to increase the level of environmental protection through, for example, the introduction of criteria and requirements for qualifying a company as a sustainable business, and the introduction of mandatory reporting, which is expected to translate directly into even more informed investment decisions in terms of environmentally friendly business activities. In this regard, the HR Development and Systems Office actively supported the organisation and employees in acquiring knowledge in ESG, Taxonomy and Environment (Waste Management, which, due to the relevance of the topic, were included in the Engineer Academy). In 2022, a series of closed and open training courses on taxonomy and ESG were held in the company. Nearly 130 employees participated in these training courses.

#### **Feedback Culture | 360 assessment**

'Feedback Culture' is a long-standing project in the Budimex Group, which is indispensable in building the company's culture. In addition to the activities that have become a permanent part of Budimex's development offer (webinars, knowledge pills, leaflets), this initiative also includes animations showing how powerful feedback is and how it affects not only the increase of work quality and efficiency, but also relations and cooperation in the team.

At Budimex, there is a belief that the good functioning of the company depends on the people who work in it – a committed and motivated team is much more effective. This is why at Budimex so much emphasis is placed on building a feedback culture to support the process of examining the competences of managers. As part of the project, a '360 Assessment' process was introduced. The main objective of this activity was to select a tool that would enable colleagues, subordinates and superiors to provide feedback on the work of managers, as well as provide those being assessed with valuable and objective information on their strengths and areas for improvement. The '360 Assessment' project was developed with due care, taking into account the key areas of the survey and

with the participation of representatives from the business and HR entities. This initiative was overseen by a project group set up after the ‘Learning and Development’ engagement survey.

### Webinars

Webinars are a permanent part of the Budimex Group’s training and development offer. They are meetings with inspiring guests – both representatives of the world of sport, science and psychology, as well as experts in particular fields. When planning the topics of the webinars, the organisation listens to the needs of employees and reacts to current events in the country and the world. Suggestions include meetings on mental health care and preventive health care for women and men. The aim of the project is also to support our employees in working in international markets, and to equip them with knowledge about the differences involved in running a contract abroad. As an employer, Budimex supported its employees due to the outbreak of war in Ukraine. The Budimex Group hosted a series of webinars on taking care of mental health in this situation, for parents on how to talk to their children about the war, and for volunteers on how to help wisely.

**The Podcast Series** is a project aimed at people who prefer to gain knowledge in audio form. Podcasts are becoming an increasingly popular form of media. Conscious of this, a modern development tool has been made available to employees in the Budimex Group via the YouTube platform. Education and development activities dedicated to the employees and managers were divided into two main cycles: Anatomy of Change, Self-Discipline and Personal Effectiveness – Planning and Organising Time. Leading experts in the respective fields have been invited to prepare podcasts.

The Budimex Group also runs training programmes related to the development of interpersonal (communication), negotiation and personal effectiveness skills for professionals and managers.

To this end, development paths have been created in the company in each of the aforementioned areas, which are divided into several main stages, taking into account successive levels of advancement of acquired competences and knowledge. Each of them contains several proposals for training topics, thus providing comprehensive development tailored to individual needs.

Workshops are available in an open offer as well as in the form of dedicated training, based on the needs of specific teams. The workshops provide employees with access to practical solutions and tools. As part of the catalogue training, technical, specialist, negotiation, communication, computer, managerial, language, and eLearning training in MS Excel (basic, intermediate and advanced levels) and Power BI is also offered. The offer includes 60 training courses in the form of open enrollment for employees.

Another important element at Budimex strengthening effective communication and cooperation is the possibility to perform an Individual Extended DISC Analysis. It is a study that allows the employee’s natural potential, predispositions and talents to be recognised. It is based on self-reflection – the participant carries out a self-assessment of how they behave in a particular situation. The main areas analysed are behaviour and communication styles, manifested in the professional area. Usually, after the examination, the employee participates in a webinar, the purpose of which is to learn about the Extended DISC model, to provide the characteristics of the four leading styles and to prepare for independent work with the individual report. The Budimex team includes certified employees authorised to give feedback.

2022 marks an intensive development of language skills at Budimex. In addition to the self-learning platform for English and German, employees were offered individual and group language learning courses. Last year, several hundred people participated in the classes. English, German, Czech and Slovak language skills were developed. Budimex employees also took part in Total Immersion intensive courses (English and Czech) outside of Poland.

### Engagement Survey

In the Budimex Group, an engagement survey is conducted once every two years. The next one is scheduled for 2023.

Indicators from the training area concerning the parent company Budimex SA are included in the appendices to this report. Due to the change in the classification categories, the breakdowns taking into account the classification categories are not comparable year-on-year.

**Table No. 35 Average number of training hours in the Budimex Group in 2022**

number of hours per employee in a given period	Budimex Group		
	2022		
	W	M	W+M
Senior management staff	46.0	46.5	46.4
Managers	28.9	21.9	23.2
Other employees	21.2	7.5	10.7
<b>All employees</b>	<b>23.1</b>	<b>11.9</b>	<b>14.4</b>
Expenses on training in a given period (PLN thousand)	2,310.8	4,043.6	6,354.4

Table No. 36 Average number of training hours in the Budimex Group in 2021

number of hours per employee in a given period	Budimex Group		
	2021		
	W	M	W+M
Senior management staff	31.6	38.3	37.2
Managers	6.8	11.5	10.1
Other employees	29.7	15.8	17.8
<b>All employees</b>	<b>16.5</b>	<b>14.9</b>	<b>15.2</b>
Expenses on training in a given period (PLN thousand)	999.6	2,593.1	3,592.7

For training courses that require attendance at all meetings in order to pass, training courses not completed in full were not included in the total number. For non-compulsory training, each training session started is counted as one full session, with only those hours actually completed by the employee being shown in the number of training hours.

Table No. 37 Number of employees improving professional qualifications in the Budimex Group in 2022

number of persons	Budimex Group		
	2022		
	W	M	W+M
Senior management staff	29	158	187
Managers	193	783	976
Other employees	759	694	1,453
<b>All employees</b>	<b>981</b>	<b>1,635</b>	<b>2,616</b>

Data on the number of employees upgrading their professional skills is published for 2022 only due to incomparability resulting from a change in the data collection methodology.

Table No. 38 Number of employees trained in selected topics in 2022

number of persons	Budimex Group								
	2021			2022			year-on-year change		
	W	M	W+M	W	M	W+M	W	M	W+M
Initial OHS training	699	8,594	9,293	813	2,150	2,964	16.3%	-75.0%	-68.1%
Periodic OHS training	6,456	35,927	42,383	7,090	21,834	28,924	9.8%	-39.2%	-31.8%
Specialist training in occupational health and safety, including first aid training	840	7,896	8,736	1,936	10,996	12,932	130.5%	39.3%	48.0%
Fire protection training	272	1,013	1,285	245	1,495	1,740	-9.9%	47.6%	35.4%
Computer training	2,552	1,621	4,173	3,363	2,998	6,361	31.8%	84.9%	52.4%
Technical training	448	2,117	2,565	628	4,033	4,661	40.1%	90.5%	81.7%
Management training	1,601	6,840	8,441	1,739	6,023	7,762	8.7%	-12.0%	-8.0%
Specialised training other than OHS training	3,588	7,390	10,978	10,933	15,533	26,465	204.7%	110.2%	141.1%
Soft skills training	3,705	4,335	8,040	5,577	6,510	12,087	50.5%	50.2%	50.3%
Onboarding training	350	459	809	653	745	1,398	86.4%	62.3%	72.7%
Language Training	2,949	5,733	8,682	4,906	9,314	14,220	66.4%	62.5%	63.8%
Webinars	1,051	663	1,714	2,208	2,805	5,012	110.2%	323.0%	192.5%

Due to the changes introduced in the grading categories at Budimex over 2022, data on annual assessments by employee grade are published for 2022 only due to the incomparability of year-on-year data.

Table No. 39 Employees who have been subject to regular employee assessments in the Budimex Group in 2022

number of persons	Budimex Group		
	2022		
	W	M	W+M
Senior management staff	31	154	185
Managers	229	1,031	1,260
Other employees	817	958	1,775
<b>All employees</b>	<b>1,077</b>	<b>2,143</b>	<b>3,220</b>

Table No. 40 Employees who were subject to regular employee assessments in the Budimex Group in 2021

number of persons	Budimex Group		
	2021		
	W	M	W+M
Senior management staff	36	255	291
Managers	403	2,134	2,537
Other employees	1,798	2,042	3,840
<b>All employees</b>	<b>2,237</b>	<b>4,431</b>	<b>6,668</b>

## 8.5.2. Employee benefits

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

Benefits offered to Budimex employees include:

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

Budimex employees are able to benefit from co-financing for participation in sports events in which they represent the company, e.g. ‘Poland Business Run’ and ‘Santa Claus Run’. The company supports and promotes the passions of team members, including through a series of talks and articles – ‘One company, many passions’ published on the Intranet. The employees share their interests and inspire and motivate each other to pursue an active lifestyle.

Budimex Group employees also have the opportunity to participate in individual English, German and Czech courses subsidised by the company. This is an offer aimed at people who actively use their knowledge of these languages in their daily work. Employees also have access to the eTutor English learning platform, which offers English lessons at levels from A1 to C2. The platform uses unique solutions and functionalities such as: multimedia exercises, innovative system of revisions, artificial intelligence for checking pronunciation, an algorithm for verifying the correctness of written tasks, language games and an integrated DIKI dictionary. What is more, each participant using the platform may invite one relative to learn free of charge.

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

Budimex SA is the first company in the Ferrovial Group and one of the first companies in Poland that has been implementing the ‘Human Resources Information System’ (HRIS) created by Oracle. In 2020, leading processes from the so-called ‘soft’ HR area, such

as periodic evaluation, goal-setting, training and development, were covered by this solution. Subsequently, issues related to recruitment, development, succession planning, as well as support for the area of remuneration and benefits will also be included in the system. In this way, Budimex ensures that employees and their superiors can act independently and make their own choices according to the latest global practices. The HRIS covers nearly 6,000 employees in 5 companies of the Budimex Group. The works on the implementation of the system have been underway since the beginning of 2019. It is the largest project of this type in the construction industry and one of the largest implementations of cloud-based solutions in Poland. The HRIS will support carrying out HR activities by allowing the employees to access the system via computers, tablets or telephones.

In 2022, psychological support for employees was also launched at Budimex Group (two on-call hours per week). Medical care was also reviewed. We added dentistry, additional rehabilitation procedures, and medical procedures performed as part of one-day surgery. Access to medical services for blue-collar employees working outside large cities with Medcover medical facilities and cooperating facilities was also increased, with the introduction of favourable conditions for reimbursement of medical expenses incurred at any facility in the country (freedom of treatment).

An additional cafeteria platform (Medcover) was also opened last year.

The Group of Companies introduced an adjustment to the rules for enrollment in Employee Capital Plans in 2022 (reducing the waiting period for enrollment in Employee Capital Plans to 1 month).

In 2022, a benefits audit was carried out at Budimex together with an employee satisfaction survey. The audit indicated that 68% of employees believe that the fringe benefits offered by the company are tailored to their needs, and 93% are aware of their full catalogue. In order to strengthen awareness among employees, we also conducted a series of 7 webinars on individual benefits between May and September 2022.

Some employees are covered by Ferrovial's share scheme.

The Company has also made changes to the rules for financing benefits (medical care and life insurance) to reduce the public and legal burden and encourage the largest possible group of employees to take advantage of additional benefits.

### **8.5.3. Diversity management**

#### **[GRI 405-2]**

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

Budimex implemented the 'Diversity Policy', which refers to equal treatment due to gender, age, disability, health, nationality, political beliefs, form, scope and basis of employment, as well as committed to creating an atmosphere and organisational culture that ensures respect for all forms of diversity. The provisions of the document also cover the areas of recruitment, access to training and promotion, remuneration, reconciliation of work and private life, as well as protection against bullying and unjustified dismissal. Budimex SA also breaks barriers connected with the health state of its employees by hiring disabled people. In order to manage the Policy efficiently, anti-discrimination and anti-mobbing monitoring was introduced, as well as a system of educational tools, training and workshops. The annual results of its implementation are reported to the Management Board.

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

An important indicator in the scope of taking care of non-discrimination due to gender is the Gender Pay Gap Ratio: -1.9%.

The Budimex Group of Companies regularly analyses the GPGR – Gender Pay Gap Ratio. The ratio is calculated based on total remuneration, including bonuses and awards, and represents the ratio of women's to men's salaries in individual job groups weighted by location and seniority in the company.

Measures taken at Budimex to reduce the pay gap:

The company implements salary increases as part of a gender-equal increase process. From 2022 onwards, Budimex directly allocates a portion of the increase budget to pay equity-related increases.

Development and maternity support activities are directed at equalising career opportunities for women (e.g. the development programme for women 'Cast-Iron Success' and 'Mom on Maternity Leave').



In its diversity policy, the Company declares that it will achieve pay equality across groups in the coming years. Information in this regard will be supplemented once further solutions have been identified.

### Gender Pay Gap Ratios

In accordance with the Ferrovial Group's established methodology for analysing the pay gap, the Company establishes the gap and reports the values of the gap within the Ferrovial Group. For 2022, the data is as follows:

Table No. 41 Results of the adjusted pay gap calculation for the Budimex Group for 2022

Professional group (total data for BUDIMEX GROUP)		Gender	% of the crew	GPC* 2022	GPC* 2021
Senior management staff		Woman	19%	-15.9%	-15.3%
		Man	81%		
Managers		Woman	43%	-10.2%	-13.0%
		Man	57%		
Other	Experts and specialists	Woman	49%	-8.2%	-6.1%
		Man	51%		
	Administration and support	Woman	73%	-13.2%	-11.6%
		Man	27%		
	Blue-collar workers	Woman	2%	-10.6%	-15.2%
		Man	98%		
<b>Average for the Budimex Group 2022</b>		<b>Woman</b>	<b>25%</b>	<b>-1.9%</b>	<b>-1.2%</b>
		<b>Man</b>	<b>75%</b>		

\* comparative analysis on the basis of fixed remuneration components (i.e. excluding, inter alia, above-standard bonuses, awards, housing allowances, variable allowances, overtime, per FTE and in relation to persons employed throughout the reporting period).

## 9. Social issues in the Budimex Group

### 9.1. Social impact of the Budimex Group

#### 9.1.1. Impact on local communities

[GRI 413-1]

Budimex attaches great importance to cooperation with local communities, supporting them, and limiting the negative impact on the inhabitants of areas where the company operates.

The management of the Budimex Group's social area is defined in the 'Principles of the Company's Responsibility Policy'. This document includes, but is not limited to, provisions directly or indirectly related to social impact, imposing ethical and responsible conduct on all activities, transparency and application of best corporate governance practices, as well as contributing to socio-economic development.

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

In the long term, the construction of road and rail infrastructure is one of the conditions for the country's socio-economic development. It also has an impact on improving the quality of life of the surrounding communities. However, it should be borne in mind that at the stage of construction works, these investments are associated with specific difficulties, especially for the residents of the areas directly adjacent to the project (e.g. increased traffic and noise resulting from the transport of construction materials and operation of the machinery). Each potential aspect of the environmental impact of the works is analysed as early as at the stage of issuing administrative decisions, and inhabitants' representatives take part in public consultation. The Budimex Group also conducts non-obligatory, additional public consultation in the course of delineation of, for example, bypass routes and road closures. To this end, the company's representatives participate in sessions of municipal and city councils in order to answer doubts and respond to comments on an ongoing basis. These are also often meetings in the offices of mayors or municipality heads concerning the changes that are going to take place in the scope of the investment to be carried out, in order to be able to jointly work out and adjust the communication to the needs of the inhabitants. Moreover, Budimex provides residents with feedback channels through a contact form available on [www.budimex.pl](http://www.budimex.pl) and corporate social media profiles. In this way, it reduces the risk of phenomena that may negatively affect neighbours of the implemented undertakings or lead to delays and downtimes in works resulting from protests of residents, blocking the works by them or extension of administrative procedures.

One of the more sensitive investments implemented by Budimex in 2022 was a barrier on the Polish-Belarusian border. In connection with the identification of the risks associated with the contract, Budimex mapped all potential stakeholders of this project, which is strategic for Poland's security. Budimex creates stakeholder breakdowns on the key and also most media-oriented contracts, which improves the overall flow of information and facilitates cooperation with the local community.

Budimex is aware that it has a significant impact on the living comfort of local communities during the period of project implementation. Although the long-term goal of the organisation is to improve their quality of life, Budimex is not indifferent to the needs of the community here and now. Therefore, the company is open to dialogue, Budimex employees meet with community representatives, listen to their needs and respond where possible to ensure the best possible good neighbourly relations. Budimex actively supports local initiatives, facilitates communication around an ongoing project and stimulates charitable activities to build valuable relationships on a long-term basis. The organisation also makes every effort to provide education on what it is like to work in the construction industry. To this end, contacts are made and meetings are organised with universities and technicians, where students are offered a programme to prepare them for the profession. By sharing its experience, Budimex wants to give the young generations a better start in the future.

Taking care of future generations, for many years it has been successfully implementing its own 'Hello ICE. Budimex for Children' programme, implemented continuously since 2019. Through one-to-one meetings in educational facilities, the company passes on knowledge and shares experience with children and young people on the issue of taking care of safety in public traffic, as well as educating on first aid. At Budimex, we want to enrich our offer by broadening the subject matter of our activities to include the area of micro-mobility (safety on rollerblades/scooters/skateboards).

One of Budimex's original social projects is 'Parent Zone' – a programme that has been running continuously since 2012. Its main objective is to create comfortable conditions for parents of sick children to be with their children in hospitals, thus improving the well-being of children and facilitating their faster recovery. Thanks to the places such as the Parent Zones, small patients can get away from thoughts about the illness for a while and spend their time in a nice way. The programme also supports parents so they can constantly accompany their children through this difficult period. As part of the project, special areas are set aside for parents in the children's wards. The programme is also a space for the strong commitment of Budimex employees, who renovate hospital rooms as part of their volunteer work. In 2022, further Parent Zones were opened in hospitals in Pisz and Bydgoszcz. Fourteen volunteers (300 hours) worked on these projects, and by the end of 2022, a total of around 1,000 beneficiaries had benefited from both Zones.

Budimex has also implemented the 'House from the Heart 2' programme in 2022. This is a project designed for families with many children in a difficult financial situation. Budimex volunteers, using their expertise in the construction industry, supported for the second time a multi-child family in a difficult material situation. This time, the organisation helped an 8-person family from Brusy

in the Pomorskie Voivodeship, which only lacked a finished house for a peaceful, safe and happy life. Budimex, together with the partners of the action, put into use a beautiful, functional and energy-efficient house, in which the family can fulfil their dreams.

Every year, the company launches an employee volunteering programme, under which Budimex Group members can submit ideas and implement selected projects. 'Grant for Volunteering' has existed at Budimex since 2015. Volunteering is based both on employees' professional competences and skills, as well as on the work and physical effort put into the project. A good example of such an action carried out by Budimex volunteers is the renovation of a common room in an orphanage, a single mother's home and the upgrade of a playground for children from a social care centre. In 2022, Budimex Group volunteers also supported the renovation of a local charity's roof and improved the social conditions at a school for children with autism.

As part of a special edition of the 'Help for Ukraine' Grant, Budimex employees renovated a bathroom for refugees, supported 300 families living in the Bucza area by providing them with the most necessary food products, and equipped the Reception Point for Refugees in Ustrzyki Dolne. In addition, they actively participated in the unloading of aid delivered to one of the warehouses. A total of 58 volunteers worked for over 700 hours in 2022, completing 7 grants totalling PLN 136,000.

In addition to the campaigns in support of victims of the war in Ukraine organised as part of the programme, Budimex Group employees brought aid and support to Ukraine throughout the year. Food, clothing and school supplies collected among the employees were donated primarily to children who had lost their parents due to the conflict. In addition, Budimex, together with other Ferrovia Group companies, organised a campaign called 'Together We Help Ukraine', aimed at donating funds collected by its employees for humanitarian aid for people displaced by warfare. In addition, Ferrovia donated the equivalent of the amount collected by Group employees from Poland, the US, Spain and the UK to NGOs dedicated to helping Ukrainians. A total of €470,000 was donated for this purpose.

In addition, Budimex donated PLN 500,000 to finance the purchase of the most necessary medicines according to a list prepared by doctors from Lviv. The obtained medicines were delivered to the neonatal children's hospital and the St Pantaleon's adult hospital in Lviv.

#### **[GRI 411-1] [GRI 413-2]**

In 2022, Budimex S.A.'s operations did not experience any conflicts with the local community of a long-term nature. Several incidents were reported over the period covered by the report. In each case, corrective actions were taken to eliminate the identified inconveniences:

- Border barrier – extensive consultations were held with communities and residents of villages along the 105-km construction site before and during the 6-month construction works. These included the construction of access roads, storage yards, vehicle speeds, road signs and surface repairs.
- Strachocina gas pipeline – Polish border – Budimex was involved in minimising social conflicts in the Komańcza municipality due to the destruction of local roads by construction vehicles and the drop in groundwater levels. The company supported the municipality with repairs and a system of new drinking water wells.
- Tramway to Wilanów – the felling of trees necessary for the construction work and changes in the organisation of vehicle traffic in Mokotów and Wilanów required extensive public consultation and information activities aimed at local communities. The felling of some trees was accompanied by protests from environmentalists, which required additional negotiations and discussions.
- Czechowice – Dziedzice station upgrade contract – carrying out work on railway viaducts and culverts raised concerns among residents about the risk of rising groundwater. After a number of consultations, additional flood defences were introduced.
- Baltic Hub contract – prior to the start of construction work on the new container terminal No. 3, residents of the nearby Stogi residential area lodged protests about noise during the works and the risk of Stogi beach being cut off from the bathing area. In the course of direct consultations, briefing meetings were held with the Baltic Hub investor on this issue.

At Mostostal Kraków, one incident related to the impact on the local community was reported and analysed, and 53 community engagement events were carried out throughout 2022.

## 9.2. Budimex for society

### [GRI 419-1]

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

In 2022, the Budimex Group was active in a number of sponsorship and charity programmes and activities. In 2022, we continued the implementation of socio-cultural and educational projects by supporting the following initiatives:

- The 'Diamond Explorers' scholarship programme, aimed at providing financial support to talented and effective groups of young people to give them the opportunity to participate in prestigious international and national scientific and technical contests, in particular in such fields as technology, engineering, design, industrial design, mathematics and management,
- The Demos Foundation, which helps young people in a difficult life situation. This organisation provides premises for educational, therapeutic and sports activities. It organises workshops for youth leaders and scholarship programmes,
- Support for education in regions combatting poverty:
  - Purchase of school equipment, support for summer holidays and organisation of educational tournaments in the Warmia-Masuria, Masovian, Podlaskie and Łódź Voivodeships,
- Support for voluntary fire brigades in the Łódź and Podkarpacie Voivodeships,
- Foundation's support: 'Nobody is left behind', 'Stare Powązki', 'Inter-school Sports Club Wola in Warsaw', 'Children's Friends Society in Warsaw', 'MRKS Czechowice-Dziedzice', 'Integration JP II' in Łódź, 'Demos' in Kraków and 'Prince Józef Poniatowski',

The total of all donations made by Budimex SA in 2022 is PLN 1,945,000, and the total number of projects is 44. The entire capital group donated PLN 2,177,000 in the form of donations.

No cases of socio-economic non-compliance were identified in 2022, and therefore no penalties were imposed on Budimex Group companies.

## 10. About the report

### 10.1. Information on reporting

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

This Non-Financial Report for 2022 is the Company's sixth such report. The report has been prepared on the basis of an internally developed reporting model based on the Company's long-standing experience in reporting consolidated business, non-financial and financial information. The Budimex Group reports non-financial information based on GRI Standards indicators as updated in November 2021. The scope of the content of the report takes into account good TCFD (Task-force for Climate-related Disclosure) practices.

In accordance with the requirements of the Accounting Act of 29 September 1994, the 2022, the Budimex Group Non-Financial Information Report covers the non-financial information and consolidated non-financial data of the Budimex Group in accordance with the structure of the organisation in 2022.

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

The Budimex Group's non-financial information for 2022 has been externally verified. The figures presented in the report come from the internal systems of Budimex SA and its subsidiaries. 2021 was recognised as the base year of selected figures due to changes in the consolidation method. The significant majority of the non-financial figures reported in the tables in the report are related to the activities of the companies: Budimex SA, Mostostal Kraków SA and FB Serwis Group. For the other companies in the Group, total exclusions were made as at 31 December 2022 for companies with no significant operating activities that affect, in particular, the generation of fuel and energy consumption, raw materials and water, as well as emissions of wastewater, waste and greenhouse gases. For companies with unit employment, consolidation exclusions were applied to protect the personal data of individual employees. In the report, data on environmental indicators for Budimex SA have been corrected as a result of the data completeness verification taking place over the second half of 2022. The figures were validated with the involvement of internal experts.

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Requirement of the Accounting Act (AA)	Pages
Business model (Article 49b(2)(1))	3
Key non-financial performance indicators (Article 49b(2)(2))	5
Policies in non-financial areas and their results (Article 49b(2)(3))	17, 19, 23, 34, 39
Due diligence procedures (Article 49b(2)(4))	10
Significant non-financial risks and methods of their management (Article 49b(2)(5))	16

Table No. 44 Table of compliance with the TCFD Recommendations

TCFD recommendations	Pages
GOVERNANCE	
a) Describe the board's oversight of climate-related risk and opportunities	9
b) Describe management's role in assessing and managing climate-related risks and opportunities	9
STRATEGY	
a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.	25
b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning	25
c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	not reported
RISK MANAGEMENT	
a. Describe the organization's processes for identifying and assessing climate-related risks.	25
b. Describe the organization's processes for managing climate-related risks.	25
c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	25
METRICS AND TARGETS	
a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	29
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	29
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	not reported

## 11. Appendices

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

### 11.1. Detailed information about employment in 2022

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

This Appendix publishes detailed breakdowns of employment data for the Group and the parent company. Data broken down by employee classification is published only for 2022 due to its incomparability.

Year-on-year employment figures for the parent company Budimex SA

Table No. 45 Employees on definite and indefinite contracts in Budimex SA in 2022

per person	Budimex SA								
	2021			2022			year-on-year change		
	W	M	W+M	W	M	W+M	W	M	W+M
<b>Polish market</b>	<b>1,223</b>	<b>3,142</b>	<b>4,365</b>	<b>1,261</b>	<b>3,026</b>	<b>4,287</b>	<b>3.1%</b>	<b>-3.7%</b>	<b>-1.8%</b>
employed for a definite period of time	252	591	843	236	442	678	-6.3%	-25.2%	-19.6%
employed for an indefinite period of time	971	2,551	3,522	1,025	2,584	3,609	5.6%	1.3%	2.5%
employed on a full-time basis	1,197	3,124	4,321	1,238	3,010	4,248	3.4%	-3.6%	-1.7%
employed on a part-time basis	26	18	44	23	16	39	<b>-11.5%</b>	<b>-11.1%</b>	<b>-11.4%</b>
aged from 51	75	501	576	79	507	586	5.3%	1.2%	1.7%
aged from 31 to 50	719	2,053	2,772	764	1,998	2,762	6.3%	-2.7%	-0.4%
up to 30 years of age	429	588	1,017	418	521	939	-2.6%	-11.4%	-7.7%
<b>German market</b>	<b>4</b>	<b>820</b>	<b>824</b>	<b>4</b>	<b>785</b>	<b>789</b>	<b>0.0%</b>	<b>-4.3%</b>	<b>-4.2%</b>
employed for a definite period of time	1	796	797	1	762	763	0.0%	-4.3%	-4.3%
employed for an indefinite period of time	3	24	27	3	23	26	0.0%	-4.2%	-3.7%
employed on a full-time basis	4	820	824	4	785	789	0.0%	-4.3%	-4.2%
employed on a part-time basis	0	0	0	0	0	0	-	-	-
aged from 51	2	265	267	3	261	264	50.0%	-1.5%	-1.1%
aged from 31 to 50	2	438	440	1	415	416	-50.0%	-5.3%	-5.5%
up to 30 years of age	0	117	117	0	109	109	-	-6.8%	-6.8%
<b>Total</b>	<b>1,227</b>	<b>3,962</b>	<b>5,189</b>	<b>1,265</b>	<b>3,811</b>	<b>5,076</b>	<b>3.1%</b>	<b>-3.8%</b>	<b>-2.2%</b>

Table No. 46 New hires at Budimex SA in 2022

per person	Budimex SA								
	2021			2022			year-on-year change		
	W	M	W+M	W	M	W+M	W	M	W+M
<b>Polish market</b>	<b>259</b>	<b>496</b>	<b>755</b>	<b>187</b>	<b>332</b>	<b>519</b>	<b>-27.8%</b>	<b>-33.1%</b>	<b>-31.3%</b>
aged from 51	26	43	69	2	24	26	-92.3%	-44.2%	-62.3%
aged from 31 to 50	61	231	292	75	167	242	23.0%	-27.7%	-17.1%
up to 30 years of age	172	222	394	110	141	251	-36.0%	-36.5%	-36.3%
<b>German market</b>	<b>1</b>	<b>600</b>	<b>601</b>	<b>0</b>	<b>643</b>	<b>643</b>	<b>-100.0%</b>	<b>7.2%</b>	<b>7.0%</b>
aged from 51	1	156	157	0	187	187	-100.0%	19.9%	19.1%
aged from 31 to 50	0	340	340	0	331	331	-	-2.6%	-2.6%
up to 30 years of age	0	104	104	0	125	125	-	20.2%	20.2%
<b>Total</b>	<b>260</b>	<b>1,096</b>	<b>1,356</b>	<b>187</b>	<b>975</b>	<b>1,162</b>	<b>-28.1%</b>	<b>-11.0%</b>	<b>-14.3%</b>

Table No. 47 Employee departures at Budimex SA in 2022

per person	Budimex SA								
	2021			2022			year-on-year change		
	W	M	W+M	W	M	W+M	W	M	W+M
<b>Polish market</b>	252	981	1,233	146	438	584	-42.1%	-55.4%	-52.6%
aged from 51	26	206	232	6	80	86	-76.9%	-61.2%	-62.9%
aged from 31 to 50	138	574	712	94	273	367	-31.9%	-52.4%	-48.5%
up to 30 years of age	88	201	289	46	85	131	-47.7%	-57.7%	-54.7%
<b>German market</b>	0	619	619	0.0	692	692	-	11.8%	11.8%
aged from 51	0	183	183	0	216	216	-	18.0%	18.0%
aged from 31 to 50	0	325	325	0	352	352	-	8.3%	8.3%
up to 30 years of age	0	111	111	0	124	124	-	11.7%	11.7%
<b>Total</b>	252	1,600	1,852	146	1,130	1,276	-42.1%	-29.4%	-31.1%

Details of employment in the Capital Group and in the parent company Budimex S.A in 2022

Table No. 48 Employees on indefinite contracts at Budimex SA in 2022

per person	Budimex SA		
	2022		
	W	M	W+M
<b>Senior staff, including:</b>	27	144	171
aged from 51	8	27	35
aged from 31 to 50	19	117	136
up to 30 years of age	0	0	0
<b>Middle-level staff, including:</b>	232	951	1,183
aged from 51	13	94	107
aged from 31 to 50	192	774	966
up to 30 years of age	27	83	110
<b>Other employees, including:</b>	769	1,512	2,281
aged from 51	51	368	419
aged from 31 to 50	479	899	1,378
up to 30 years of age	239	245	484
<b>Employees at all levels of the structure</b>	1,028	2,607	3,635
aged from 51	72	489	561
aged from 31 to 50	690	1,790	2,480
up to 30 years of age	266	328	594
<b>Total for all levels of structure</b>	1,028	2,607	3,635

Table No. 49 Employees on indefinite contracts at the Budimex Group in 2022

per person	Budimex Group		
	2022		
	W	M	W+M
<b>Senior staff, including:</b>	29	157	186
aged from 51	8	29	37
aged from 31 to 50	21	128	149
up to 30 years of age	0	0	0
<b>Middle-level staff, including:</b>	266	1,071	1,337
aged from 51	16	113	129
aged from 31 to 50	220	866	1,086
up to 30 years of age	30	92	122
<b>Other employees, including:</b>	926	2,334	3,260
aged from 51	62	729	791

aged from 31 to 50	582	1,256	1,838
up to 30 years of age	282	349	631
<b>Employees at all levels of the structure</b>	<b>1,220</b>	<b>3,563</b>	<b>4,783</b>
aged from 51	86	872	958
aged from 31 to 50	822	2,250	3,072
up to 30 years of age	312	441	753
<b>Total for all levels of structure</b>	<b>1,220</b>	<b>3,563</b>	<b>4,783</b>

Table No. 50 Employees on definite contracts at Budimex SA in 2022

per person	Budimex SA		
	2022		
	W	M	W+M
<b>Senior staff, including:</b>	<b>1</b>	<b>0</b>	<b>1</b>
aged from 51	1	0	1
aged from 31 to 50	0	0	0
up to 30 years of age	0	0	0
<b>Middle-level staff, including:</b>	<b>11</b>	<b>88</b>	<b>99</b>
aged from 51	0	12	12
aged from 31 to 50	8	70	78
up to 30 years of age	3	6	9
<b>Other employees, including:</b>	<b>225</b>	<b>1,116</b>	<b>1,341</b>
aged from 51	9	267	276
aged from 31 to 50	67	553	620
up to 30 years of age	149	296	445
<b>Employees at all levels of the structure</b>	<b>237</b>	<b>1,204</b>	<b>1,441</b>
aged from 51	10	279	289
aged from 31 to 50	75	623	698
up to 30 years of age	152	302	454
<b>Total for all levels of structure</b>	<b>237</b>	<b>1,204</b>	<b>1,441</b>

Table No. 51 Employees on definite contracts at the Budimex Group in 2022

per person	Budimex Group		
	2022		
	W	M	W+M
<b>Senior staff, including:</b>	<b>3</b>	<b>14</b>	<b>17</b>
aged from 51	1	4	5
aged from 31 to 50	2	10	12
up to 30 years of age	0	0	0
<b>Middle-level staff, including:</b>	<b>17</b>	<b>125</b>	<b>142</b>
aged from 51	0	19	19
aged from 31 to 50	14	96	110
up to 30 years of age	3	10	13
<b>Other employees, including:</b>	<b>310</b>	<b>1,770</b>	<b>2,080</b>
aged from 51	15	429	444
aged from 31 to 50	108	895	1,003
up to 30 years of age	187	446	633
<b>Employees at all levels of the structure</b>	<b>330</b>	<b>1,909</b>	<b>2,239</b>
aged from 51	16	452	468
aged from 31 to 50	124	1,001	1,125
up to 30 years of age	190	456	646
<b>Total for all levels of structure</b>	<b>330</b>	<b>1,909</b>	<b>2,239</b>

Table No. 52 Employees on definite and indefinite contracts at Budimex SA in 2022

per person	Budimex SA		
	2022		
	W	M	W+M
<b>Senior staff, including:</b>	<b>28</b>	<b>144</b>	<b>172</b>
aged from 51	9	27	36
aged from 31 to 50	19	117	136
up to 30 years of age	0	0	0
<b>Middle-level staff, including:</b>	<b>243</b>	<b>1,039</b>	<b>1,282</b>
aged from 51	13	106	119
aged from 31 to 50	200	844	1,044
up to 30 years of age	30	89	119
<b>Other employees, including:</b>	<b>994</b>	<b>2,628</b>	<b>3,622</b>
aged from 51	60	635	695
aged from 31 to 50	546	1,452	1,998
up to 30 years of age	388	541	929
<b>Employees at all levels of the structure</b>	<b>1,265</b>	<b>3,811</b>	<b>5,076</b>
aged from 51	82	768	850
aged from 31 to 50	765	2,413	3,178
up to 30 years of age	418	630	1,048
<b>Total for all levels of structure</b>	<b>1,265</b>	<b>3,811</b>	<b>5,076</b>

Table No. 53 Employees on definite and indefinite contracts at the Budimex Group in 2022

per person	Budimex Group		
	2022		
	W	M	W+M
<b>Senior staff, including:</b>	<b>32</b>	<b>171</b>	<b>203</b>
aged from 51	9	33	42
aged from 31 to 50	23	138	161
up to 30 years of age	0	0	0
<b>Middle-level staff, including:</b>	<b>283</b>	<b>1,196</b>	<b>1,479</b>
aged from 51	16	132	148
aged from 31 to 50	234	962	1,196
up to 30 years of age	33	102	135
<b>Other employees, including:</b>	<b>1,236</b>	<b>4,104</b>	<b>5,340</b>
aged from 51	77	1,158	1,235
aged from 31 to 50	689	2,151	2,840
up to 30 years of age	470	795	1,265
<b>Employees at all levels of the structure</b>	<b>1,551</b>	<b>5,471</b>	<b>7,022</b>
aged from 51	102	1,323	1,425
aged from 31 to 50	946	3,251	4,197
up to 30 years of age	503	897	1,400
<b>Total for all levels of structure</b>	<b>1,551</b>	<b>5,471</b>	<b>7,022</b>

Table No. 54 Employees newly employed in 2022 for an indefinite period of time at Budimex SA

number of persons	Budimex SA		
	2022		
	W	M	W+M
<b>Senior staff, including:</b>	<b>0</b>	<b>5</b>	<b>5</b>
aged from 51	0	2	2
aged from 31 to 50	0	3	3
up to 30 years of age	0	0	0
<b>Middle-level staff, including:</b>	<b>0</b>	<b>6</b>	<b>6</b>
aged from 51	0	2	2
aged from 31 to 50	0	3	3
up to 30 years of age	0	1	1
<b>Other employees, including:</b>	<b>4</b>	<b>10</b>	<b>14</b>
aged from 51	0	4	4
aged from 31 to 50	3	6	9
up to 30 years of age	1	0	1
<b>Employees at all levels of the structure</b>	<b>4</b>	<b>21</b>	<b>25</b>
aged from 51	0	8	8
aged from 31 to 50	3	12	15
up to 30 years of age	1	1	2
<b>Total for all levels of structure</b>	<b>4</b>	<b>21</b>	<b>25</b>

Table No. 55 Employees newly employed in 2022 for an indefinite period of time at the Budimex Group

number of persons	Budimex Group		
	2022		
	W	M	W+M
<b>Senior staff, including:</b>	<b>0</b>	<b>7</b>	<b>7</b>
aged from 51	0	3	3
aged from 31 to 50	0	4	4
up to 30 years of age	0	0	0
<b>Middle-level staff, including:</b>	<b>7</b>	<b>22</b>	<b>29</b>
aged from 51	0	4	4
aged from 31 to 50	7	17	24
up to 30 years of age	0	1	1
<b>Other employees, including:</b>	<b>15</b>	<b>40</b>	<b>55</b>
aged from 51	0	12	12
aged from 31 to 50	13	26	38
up to 30 years of age	3	2	5
<b>Employees at all levels of the structure</b>	<b>22</b>	<b>69</b>	<b>91</b>
aged from 51	0	19	19
aged from 31 to 50	19	47	66
up to 30 years of age	3	3	6
<b>Total for all levels of structure</b>	<b>22</b>	<b>69</b>	<b>91</b>

Table No. 56 Employees newly employed during 2022 on a definite contract at Budimex SA

number of persons	Budimex S. A		
	2022		
	W	M	W+M
<b>Senior staff, including:</b>	<b>0</b>	<b>2</b>	<b>2</b>
aged from 51	0	1	1
aged from 31 to 50	0	1	1
up to 30 years of age	0	0	0
<b>Middle-level staff, including:</b>	<b>15</b>	<b>70</b>	<b>85</b>
aged from 51	0	10	10
aged from 31 to 50	12	51	63
up to 30 years of age	3	9	12
<b>Other employees, including:</b>	<b>168</b>	<b>882</b>	<b>1,050</b>
aged from 51	2	192	194
aged from 31 to 50	60	434	494
up to 30 years of age	106	256	362
<b>Employees at all levels of the structure</b>	<b>183</b>	<b>954</b>	<b>1,137</b>
aged from 51	2	203	205
aged from 31 to 50	72	486	558
up to 30 years of age	109	265	374
<b>Total for all levels of structure</b>	<b>183</b>	<b>954</b>	<b>1,137</b>

Table No. 57 Employees newly employed during 2022 on a definite contract at the Budimex Group

number of persons	Budimex Group		
	2022		
	W	M	W+M
<b>Senior staff, including:</b>	<b>1</b>	<b>5</b>	<b>5</b>
aged from 51	0	1	1
aged from 31 to 50	1	4	4
up to 30 years of age	0	0	0
<b>Middle-level staff, including:</b>	<b>18</b>	<b>98</b>	<b>116</b>
aged from 51	0	18	18
aged from 31 to 50	15	67	82
up to 30 years of age	3	13	16
<b>Other employees, including:</b>	<b>254</b>	<b>1,341</b>	<b>1,595</b>
aged from 51	8	289	297
aged from 31 to 50	99	684	783
up to 30 years of age	147	368	515
<b>Employees at all levels of the structure</b>	<b>272</b>	<b>1,444</b>	<b>1,716</b>
aged from 51	8	308	316
aged from 31 to 50	114	755	869
up to 30 years of age	150	381	531
<b>Total for all levels of structure</b>	<b>272</b>	<b>1,444</b>	<b>1,716</b>



Table No. 58 Employees newly employed during 2022 on a definite and indefinite basis at Budimex SA

number of persons	Budimex SA		
	2022		
	W	M	W+M
<b>Senior staff, including:</b>	<b>0</b>	<b>7</b>	<b>7</b>
aged from 51	0	3	3
aged from 31 to 50	0	4	4
up to 30 years of age	0	0	0
<b>Middle-level staff, including:</b>	<b>15</b>	<b>76</b>	<b>91</b>
aged from 51	0	12	12
aged from 31 to 50	12	54	66
up to 30 years of age	3	10	13
<b>Other employees, including:</b>	<b>172</b>	<b>892</b>	<b>1,064</b>
aged from 51	2	196	198
aged from 31 to 50	63	440	503
up to 30 years of age	107	256	363
<b>Employees at all levels of the structure</b>	<b>187</b>	<b>975</b>	<b>1,162</b>
aged from 51	2	211	213
aged from 31 to 50	75	498	573
up to 30 years of age	110	266	376
<b>Total for all levels of structure</b>	<b>187</b>	<b>975</b>	<b>1,162</b>

Table No. 59 Employees newly employed during 2022 on a definite and indefinite basis at the Budimex Group

number of persons	Budimex Group		
	2022		
	W	M	W+M
<b>Senior staff, including:</b>	<b>1</b>	<b>12</b>	<b>12</b>
aged from 51	0	4	4
aged from 31 to 50	1	8	8
up to 30 years of age	0	0	0
<b>Middle-level staff, including:</b>	<b>25</b>	<b>120</b>	<b>145</b>
aged from 51	0	22	22
aged from 31 to 50	22	84	106
up to 30 years of age	3	14	17
<b>Other employees, including:</b>	<b>269</b>	<b>1,381</b>	<b>1,650</b>
aged from 51	8	301	309
aged from 31 to 50	111	710	821
up to 30 years of age	150	370	520
<b>Employees at all levels of the structure</b>	<b>294</b>	<b>1,513</b>	<b>1,807</b>
aged from 51	8	327	335
aged from 31 to 50	133	802	935
up to 30 years of age	153	384	537
<b>Total for all levels of structure</b>	<b>294</b>	<b>1,513</b>	<b>1,807</b>

Table No. 60 Employees employed for an indefinite period of time who left employment at Budimex SA during 2022

number of persons	Budimex SA		
	2022		
	W	M	W+M
<b>Senior staff, including:</b>	2	10	12
aged from 51	0	3	3
aged from 31 to 50	2	7	9
up to 30 years of age	0	0	0
<b>Middle-level staff, including:</b>	19	74	93
aged from 51	1	15	16
aged from 31 to 50	18	55	73
up to 30 years of age	0	4	4
<b>Other employees, including:</b>	64	192	256
aged from 51	3	42	45
aged from 31 to 50	49	120	169
up to 30 years of age	12	30	42
<b>Employees at all levels of the structure</b>	<b>85</b>	<b>276</b>	<b>361</b>
aged from 51	4	60	64
aged from 31 to 50	69	182	251
up to 30 years of age	12	34	46
<b>Total for all levels of structure</b>	<b>85</b>	<b>276</b>	<b>361</b>

Table No. 61 Employees employed for an indefinite period of time who left employment at the Budimex Group during 2022

number of persons	Budimex Group		
	2022		
	W	M	W+M
<b>Senior staff, including:</b>	2	12	14
aged from 51	0	3	3
aged from 31 to 50	2	9	11
up to 30 years of age	0	0	0
<b>Middle-level staff, including:</b>	21	85	106
aged from 51	1	16	17
aged from 31 to 50	20	63	83
up to 30 years of age	0	6	6
<b>Other employees, including:</b>	85	297	382
aged from 51	4	79	83
aged from 31 to 50	59	166	225
up to 30 years of age	22	52	74
<b>Employees at all levels of the structure</b>	<b>108</b>	<b>394</b>	<b>502</b>
aged from 51	5	98	103
aged from 31 to 50	81	238	319
up to 30 years of age	22	58	80
<b>Total for all levels of structure</b>	<b>108</b>	<b>394</b>	<b>502</b>

Table No. 62 Employees employed for an definite period of time who left employment at Budimex SA during 2022

number of persons	Budimex SA		
	2022		
	W	M	W+M
<b>Senior staff, including:</b>	<b>0</b>	<b>2</b>	<b>2</b>
aged from 51	0	2	2
aged from 31 to 50	0	0	0
up to 30 years of age	0	0	0
<b>Middle-level staff, including:</b>	<b>2</b>	<b>30</b>	<b>32</b>
aged from 51	0	11	11
aged from 31 to 50	2	18	20
up to 30 years of age	0	1	1
<b>Other employees, including:</b>	<b>59</b>	<b>822</b>	<b>881</b>
aged from 51	2	223	225
aged from 31 to 50	23	425	448
up to 30 years of age	34	174	208
<b>Employees at all levels of the structure</b>	<b>61</b>	<b>854</b>	<b>915</b>
aged from 51	2	236	238
aged from 31 to 50	25	443	468
up to 30 years of age	34	175	209
<b>Total for all levels of structure</b>	<b>61</b>	<b>854</b>	<b>915</b>

Table No. 63 Employees employed for a definite period of time who left employment at the Budimex Group during 2022

number of persons	Budimex Group		
	2022		
	W	M	W+M
<b>Senior staff, including:</b>	<b>0</b>	<b>5</b>	<b>5</b>
aged from 51	0	2	2
aged from 31 to 50	0	3	3
up to 30 years of age	0	0	0
<b>Middle-level staff, including:</b>	<b>3</b>	<b>38</b>	<b>41</b>
aged from 51	0	14	14
aged from 31 to 50	3	22	25
up to 30 years of age	0	2	2
<b>Other employees, including:</b>	<b>81</b>	<b>1,095</b>	<b>1,176</b>
aged from 51	4	295	299
aged from 31 to 50	34	563	597
up to 30 years of age	43	237	270
<b>Employees at all levels of the structure</b>	<b>83</b>	<b>1,138</b>	<b>1,222</b>
aged from 51	4	311	315
aged from 31 to 50	37	588	625
up to 30 years of age	43	239	282
<b>Total for all levels of structure</b>	<b>84</b>	<b>1,138</b>	<b>1,222</b>

Table No. 64 Employees employed for a definite and indefinite period of time who left employment at Budimex SA during 2022

number of persons	Budimex SA		
	2022		
	W	M	W+M
<b>Senior staff, including:</b>	2	12	14
aged from 51	0	5	5
aged from 31 to 50	2	7	9
up to 30 years of age	0	0	0
<b>Middle-level staff, including:</b>	21	104	125
aged from 51	1	26	27
aged from 31 to 50	20	73	93
up to 30 years of age	0	5	5
<b>Other employees, including:</b>	123	1,014	1,137
aged from 51	5	265	270
aged from 31 to 50	72	545	617
up to 30 years of age	46	204	250
<b>Employees at all levels of the structure</b>	146	1,130	1,276
aged from 51	6	296	302
aged from 31 to 50	94	625	719
up to 30 years of age	46	209	255
<b>Total for all levels of structure</b>	146	1,130	1,276

Table No. 65 Employees employed for a definite and indefinite period of time who left employment at the Budimex Group during 2022

number of persons	Budimex Group		
	2022		
	W	M	W+M
<b>Senior staff, including:</b>	2	17	19
aged from 51	0	5	5
aged from 31 to 50	2	12	14
up to 30 years of age	0	0	0
<b>Middle-level staff, including:</b>	24	123	147
aged from 51	1	30	31
aged from 31 to 50	23	85	108
up to 30 years of age	0	8	8
<b>Other employees, including:</b>	166	1,392	1,558
aged from 51	8	374	382
aged from 31 to 50	93	729	822
up to 30 years of age	65	289	354
<b>Employees at all levels of the structure</b>	192	1,532	1,724
aged from 51	9	409	418
aged from 31 to 50	118	826	944
up to 30 years of age	65	297	362
<b>Total for all levels of structure</b>	192	1,532	1,724

Table No. 66 Data on persons employed under contracts other than employment contracts at Budimex SA

in number of persons	Budimex SA								
	2021			2022			year-on-year change		
	W	M	W+M	W	M	W+M	W	M	W+M
Number of persons cooperating on the basis of civil law contracts (contracts of mandate and contract for specific work)	87	62	149	86	74	160	-1.1%	19.4%	7.4%
Number of persons cooperating on the basis of a cooperation agreement (B2B)	0	0	0	2	9	11	-	-	-
Number of people cooperating on the basis of appointment contracts	1	1	2	1	9	10	0.0%	800.0%	400.0%
Number of people working in the form of outsourcing	0	0	0	4	21	25	-	-	-

Table No. 67 Data on persons employed under contracts other than employment contracts at the Budimex Group

in number of persons	Budimex Group								
	2021			2022			year-on-year change		
	W	M	W+M	W	M	W+M	W	M	W+M
Number of persons cooperating on the basis of civil law contracts (contracts of mandate and contract for specific work)	127	359	486	130	248	378	2.4%	-30.9%	-22.2%
Number of persons cooperating on the basis of a cooperation agreement (B2B)	6	5	11	7	15	22	16.7%	200.0%	100.0%
Number of people cooperating on the basis of appointment contracts	1	1	2	1	10	11	0.0%	900.0%	450.0%
Number of people working in the form of outsourcing	0	0	0	4	21	25	-	-	-

Table No. 68 Employees with disabilities

	Budimex SA									Budimex Group								
	2021			2022			year-on-year change			2021			2022			year-on-year change		
	W	M	W+M	W	M	W+M	W	M	W+M	W	M	W+M	W	M	W+M	W	M	W+M
Number of disabled employees as at the end of the financial year	6	16	22	7	18	25	16.7%	12.5%	13.6%	9	22	31	10	29	39	11.1%	31.8%	25.8%
Amount of contributions paid to the State Fund for Rehabilitation of Disabled People (PFRON) (PLN)	8,960,413			7,699,170			-14.1%			8,960,413			9,694,706			8.2%		

## 11.2. Information about maternity and paternity leaves

[GRI 401-3]

Table No. 69 Information on maternity and paternity leaves at Budimex SA

	Budimex SA								
	2021			2022			year-on-year change		
	W	M	W+M	W	M	W+M	W	M	W+M
Percentage of persons who left employment in a given year after less than 12 months from the end of parental, maternity or child-care leave	no data	no data	no data	31%	267%	37%	-	-	-
Number of persons who in a given year finished their parental, maternity or child-care leave	110	2	112	123	9	132	11.8%	350.0%	17.9%
Number of persons who in a given year started their parental, maternity or child-care leave	87	1	88	136	7	143	56.3%	600.0%	62.5%

Table No. 70 Information on maternity and paternity leaves at the Budimex Group

	Budimex Group								
	2021			2022			year-on-year change		
	W	M	W+M	W	M	W+M	W	M	W+M
Percentage of persons who left employment in a given year after less than 12 months from the end of parental, maternity or child-care leave	no data	no data	no data	31.5%	266.7%	37.0%	-	-	-
Number of persons who in a given year finished their parental, maternity or child-care leave	111	2	113	138	9	147	24.3%	350.0%	30.1%
Number of persons who in a given year started their parental, maternity or child-care leave	99	1	100	143	7	150	44.4%	600.0%	50.0%

## 11.3. Information on training at Budimex SA

Table No. 71 Average number of training hours in Budimex SA in 2022

number of hours per employee in a given period	Budimex SA		
	2022		
	W	M	W+M
Senior management staff	51.9	51.1	51.3
Managers	29.4	23.3	24.5
Other employees	24.1	9.9	13.8
<b>All employees</b>	<b>25.7</b>	<b>15.1</b>	<b>17.7</b>
Expenses on training in a given period (PLN thousand)	2,134.2	3,692.9	5,827.1

Table No. 72 Average number of training hours in Budimex SA in 2021

number of hours per employee in a given period	Budimex SA		
	2021		
	W	M	W+M
Senior management staff	32.9	33.0	33.0
Managers	6.2	10.8	9.3
Other employees	32.9	14.4	17.5
<b>All employees</b>	<b>15.9</b>	<b>13.4</b>	<b>14.0</b>
Expenses on training in a given period (PLN thousand)	889.4	2,129.3	3,018.6

Table no. 73 Number of employees improving their professional qualifications at Budimex SA in 2022

number of persons	Budimex SA		
	2022		
	W	M	W+M
Senior management staff	29	146	175
Managers	184	745	929
Other employees	710	627	1,337
<b>All employees</b>	<b>923</b>	<b>1,518</b>	<b>2,441</b>

Table No. 74 Number of employees trained in selected topics at Budimex SA in 2022

number of persons	Budimex SA		
	2022		
	W	M	W+M
Initial OHS training	513	855	1,368
Periodic OHS training	5,984	15,464	21,448
Specialist training in occupational health and safety, including first aid training	0	3,256	3,256
Fire protection training	0	531	531
Computer training	2,983	2,721	5,704
Technical training	614	2,834	3,448
Management training	1,145	5,360	6,505
Specialised training other than OHS training	10,022	14,862	24,883
Soft skills training	5,418	6,338	11,755
Onboarding training	604	659	1,262
Language Training	4,049	7,888	11,937
Webinars	2,054	2,729	4,783

Table No. 75 Number of employees trained in selected topics at Budimex SA in 2021

number of persons	Budimex SA		
	2021		
	W	M	W+M
Initial OHS training	408	5,999	6,407
Periodic OHS training	5,232	25,520	30,752
Specialist training in occupational health and safety, including first aid training	208	148	356
Fire protection training	120	128	248
Computer training	2,276	1,501	3,777
Technical training	432	2,077	2,509
Management training	1,594	6,007	7,601
Specialised training other than OHS training	3,154	4,328	7,482
Soft skills training	3,310	3,922	7,232
Onboarding training	301	392	693
Language Training	1,626	4,289	5,915
Webinars	962	478	1,439

Table No. 76 Employees who have been subject to regular employee assessments in Budimex SA in 2022

number of persons	Budimex SA		
	2022		
	W	M	W+M
Senior management staff	28	131	159
Managers	203	932	1,135
Other employees	694	807	1,501
<b>All employees</b>	<b>925</b>	<b>1,870</b>	<b>2,795</b>

Table No. 77 Employees who have been subject to regular employee assessments in Budimex SA in 2021

number of persons	Budimex SA		
	2021		
	W	M	W+M
Senior management staff	36	255	291
Managers	403	2,134	2,537
Other employees	1,798	2,042	3,840
<b>All employees</b>	<b>2,237</b>	<b>4,431</b>	<b>6,668</b>



Artur Popko President of the Management Board	
Jacek Daniewski member of the Management Board	
Marcin Węglowski member of the Management Board	
Anna Karyś-Sosińska member of the Management Board	
Cezary Łysenko member of the Management Board	
Maciej Olek member of the Management Board	