



**Integrated
report**
of the Budimex Group 2020

Table of Content

Letter from the President	3		
About the Group.	5		
• Market activity	5	• Introduction	56
• Mission and strategy	6	• “being a neighbour, guest and partner for local communities.”	56
• Value creation model	7	• Nature conservation in the supply chain	58
• Capitals	8	• Reasonable use of resources and environmental protection.	59
Budimex in numbers	12	• Climate change, fuel and energy consumption.	59
• Structure	14	• Finished and raw materials	61
• Membership in organisations.	16	• Waste management.	62
• Awards and distinctions received in 2020	17	Society and workers.	63
• Supply chain.	18	• Conditions, occupational health and safety (OHS)	63
• Market environment and growth perspectives	19	• Introduction	63
• Introduction	19	• OHS training and prevention	64
• “The CSR strategy for 2021-2023”	20	• Working environment and concentration on growth	66
• Road construction	21	• Introduction	66
• Railway construction.	22	• Social package	67
• Hydraulic engineering	23	• Development and training	68
• Power plant construction	24	• Diversity management	70
• Housing construction.	25	• Social activities and relationships with communities.	71
• Public-Private Partnership;.	26	• Introduction	71
Budimex Group in 2020	27	• „Parent Zone. Budimex for Children”	72
• Results achieved in 2020	27	• „Hello ICE”	73
• Sales structure.	27	• „Grant for Volunteering”	74
• Contracts of Most Significance	29	• Charity and sponsorship activities	75
• Summary of the completion of CSR strategy objectives for 2016-2020	30	• Respect for human rights	76
• Financial situation of Budimex Group	32	Management.	77
• Characteristics of the basic economic and financial values of the Budimex Group	32	• Management culture Management governance	77
• Consolidated profit and loss account	35	• Sustainability management	78
• Consolidated statement of cash flow	37	• Risk management system.	80
• Finance management at Budimex Group	38	• Risk factors	81
• Contribution to infrastructure development.	40	• Risk management in the supply chain	82
• Significant investments made in 2020	40	• Ethics and compliance / Ethical integrity.	84
• R&D projects.	47	• Compliance management	85
Initiatives in response to the Covid-19 pandemic	49	• Whistleblowing system	86
Environment	51	• Quality management	87
• Environmental management	51	Outlook	88
• Introduction	51	About the report.	90
• Environmental risk management	53	• Information about the report.	90
• Environmental protection standards	55	• Importance of issues in the report	91
• Impact on the local environment and biodiversity	56	• Stakeholders.	93
		• Non-financial data tables	94
		• Index GRI	108

Letter from the President



102-14 Dear All,

I am pleased to provide you with the Integrated Annual Report of the Budimex Group for 2020, which summarises our financial results and social responsibility activities.

It has been a special year for all of us – as both business-wise and personally we have been through a pandemic. We have learned many new solutions. We have tested and implemented various methods of remote communication among ourselves and alongside our investors. We have also had to develop effective ways of safeguarding the health of our employees, so as to ensure that our staff continue to have the safest possible working environment, and to continue our business operations. On the other hand, despite the many challenges, it was a year in which we attained the best financial indicators in over a decade.

harder than in previous years due to this particularly difficult period. We continued the implementation of the ‘Parent Zone’ and ‘Hello ICE’ programmes. We opened two more ‘Parent Zones’ in hospitals in Wejherowo and Piotrków Trybunalski. In total, since the beginning of the programme, we have prepared 34 zones, which have already been used by 700,000 children and parents. We have also adapted the ‘Hello ICE’ programme to the new reality, moving most of the activities to the online world and inviting children to be active outdoors. As part of the programme, we have painted three-dimensional (3D) pedestrian lanes in four locations (Bartoszyce, Lesznowola, Sanok and Miechów). The



Budimex Group ended 2020 with a sales revenue of over PLN 8.3 billion, an increase of 0.8 billion compared to the previous year. Sales were at a better level than we assumed and forecast. We closed the year with over PLN 2 billion. We also doubled the Group’s net profit from PLN 226 million to PLN 459 million, which gave us a profitability of 5.5%, an increase by 2.5 percentage points over 2019.

In 2020, despite the pandemic, we maintained a fairly constant level of employment and were not affected by redundancies, which allowed us to maintain thousands of jobs. At this exceptional time, we were particularly concerned that the employees of the Budimex Group should feel safe, derive satisfaction from their work and have opportunities for development. The health and safety of our staff has been, and is, our priority. We have introduced partial hybrid working. We have provided our employees with the necessary protective equipment, as well as access to free COVID-19 detection tests. We have regularly informed them about the current situation with the pandemic. We have prepared and made available information and education activities on preventing the coronavirus infection, about caring for physical health and offering psychological consultations.

Last year, despite the ongoing pandemic, rather than stopping our efforts for local communities that still needed support, we tried even

pandemic hasn’t stopped our staff from volunteer work, which has been tailored to the current situation. In addition to the standard projects, our volunteers during the special edition of “Volunteering in the fight against COVID-19” were able to submit and implement activities that supported the people and organisations most severely affected by the coronavirus. Moreover, the Budimex Group donated nearly PLN 3 million to help hospitals as part of “We are together. We help!” campaign. We have also become involved in the construction works to adjust four hospitals to admit patients with COVID-19. We joined the #niezwalniajmy initiative, which aims to protect jobs in Polish companies. In 2020, Budimex initiated the ‘House of hearts’ project, thanks to which – in cooperation with other companies – by the end of March 2021 it had built and equipped a house for a 16-person family in need from near Radomsko. We have also launched a new programme “Budimex for Nature” to support environmental protection.

We want to evolve according to the principles of sustainable development. We set ourselves ambitious and measurable goals, the achievement of which we transparently account for. The year 2020 was a transition period, in which we completed the CSR Strategy for the years 2016-2020 and created a new action plan in this area for the years 2021-2023. The new CSR Strategy will allow the Budimex Group to respond to the most important challenges facing us, related among others to the reduction of the impact on the environment and climate, counteracting fraud or continuously ensuring the highest OHS standards.

2020 brought us many prestigious titles and prizes, including: “Golden Leaf of CSR” of the Polityka weekly, “Well-Perceived Company”, “Employer Branding Excellence Award”, “Best Quality Employer” and “Responsible Employer 2020” in the Responsible Employer – HR Leader competition. Moreover, Budimex advanced to 6th place (from 18th place in the preceding year) in the Responsible Companies Ranking.

I would like to thank our staff for their exceptional commitment to their work, which has enabled us not only to meet our targets but even to exceed them, for understanding the seriousness of the pandemic situation and for working together to keep us all healthy and safe. I appreciate the fact that despite such a difficult situation caused by the pandemic, not only in the professional sphere but also often in the private sphere, they were open to helping others.

I would also like to extend my thanks for the trust and effective cooperation in such a difficult year to investors and customers and all our stakeholders.

Dariusz Blocher
Prezes Zarządu Budimex S.A.



About the Group



GRI 102-2
GRI 102-4

Market activity

The Budimex Group provides a wide range of construction and assembly services performed in the general contracting system in Poland and abroad, carries out development activities, manages real estate, produces and offers services, manages municipal waste, provides comprehensive road maintenance and technical services for buildings. It is present in Poland, Germany and Lithuania.

In the case of construction activity, it performs its tasks in all market segments, starting from road, rail and hydrotechnical infrastructure, to residential buildings, to complex energy and industrial projects. Construction contracts are concluded in Poland and on foreign markets, on a limited scale. It is an active developer in five Polish agglomerations. The companies of the FBSerwis Group also operate throughout the country.

In 2020, over half of the operating profit of the Budimex Group was generated by construction activity. The development and services segments accounted for 30% and 12% respectively.

The Group makes every effort to fulfil the assigned tasks on time, while maintaining high safety and quality standards. The many years of experience in the construction area and a well-established position on the real estate development market also allows it to offer unique residential solutions, characterised by high quality and extensive after-sales support.

Mostostal Kraków S.A. provides construction and installation services. It specialises in contracting and assembly of steel structures and devices for the cement and lime, power, steel and chemical industries. It also offers design services.

Budimex Nieruchomości Sp. z o.o. runs a housing development activity, it is responsible for purchasing and preparing investment for land suitable for housing construction, the sale of apartments, as well as property rental and service on its own account.

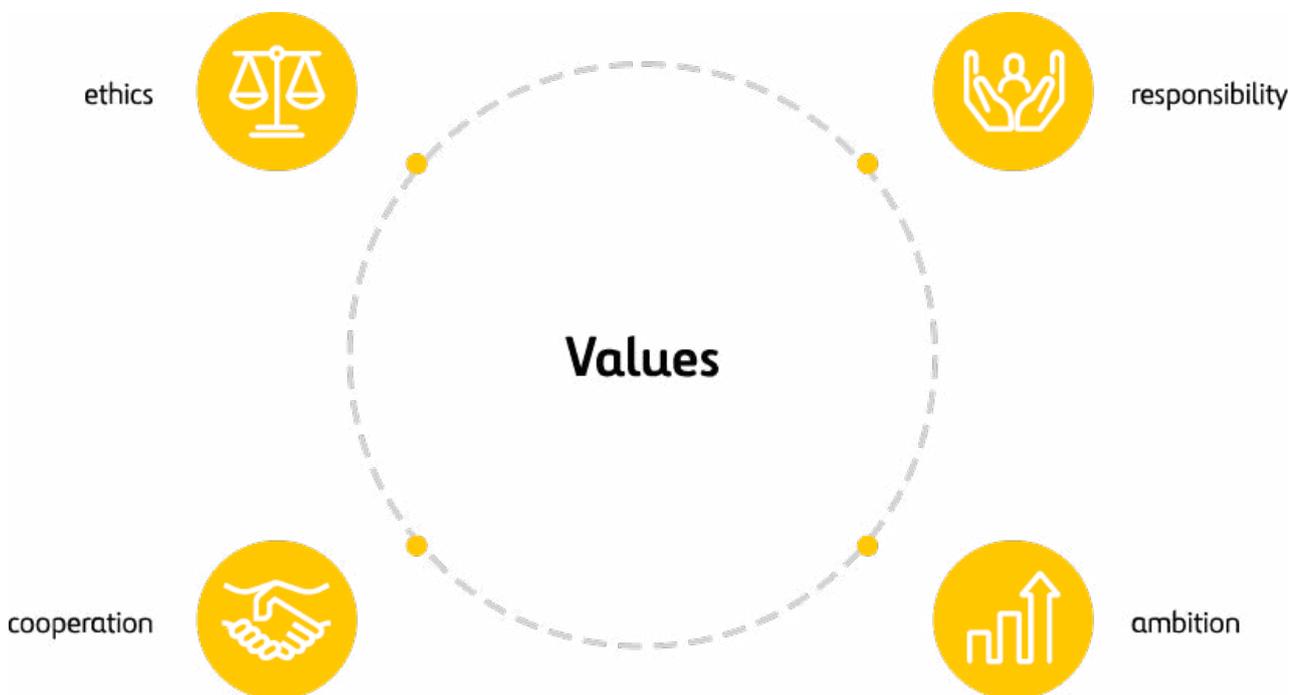
FBSerwis S.A. handles waste management, provides comprehensive services of road infrastructure maintenance and management of lighting infrastructure and technical support for buildings.



102-16
103-1
103-2
103-3

Mission and strategy

The mission of Budimex is to perform construction projects, including housing estates, in a manner fit for a market leader, respecting the natural environment and ethical principles, caring about the customer satisfaction and user comfort, which it shall achieve through professionalism and passion for construction, high efficiency and partner relations with suppliers and subcontractors.

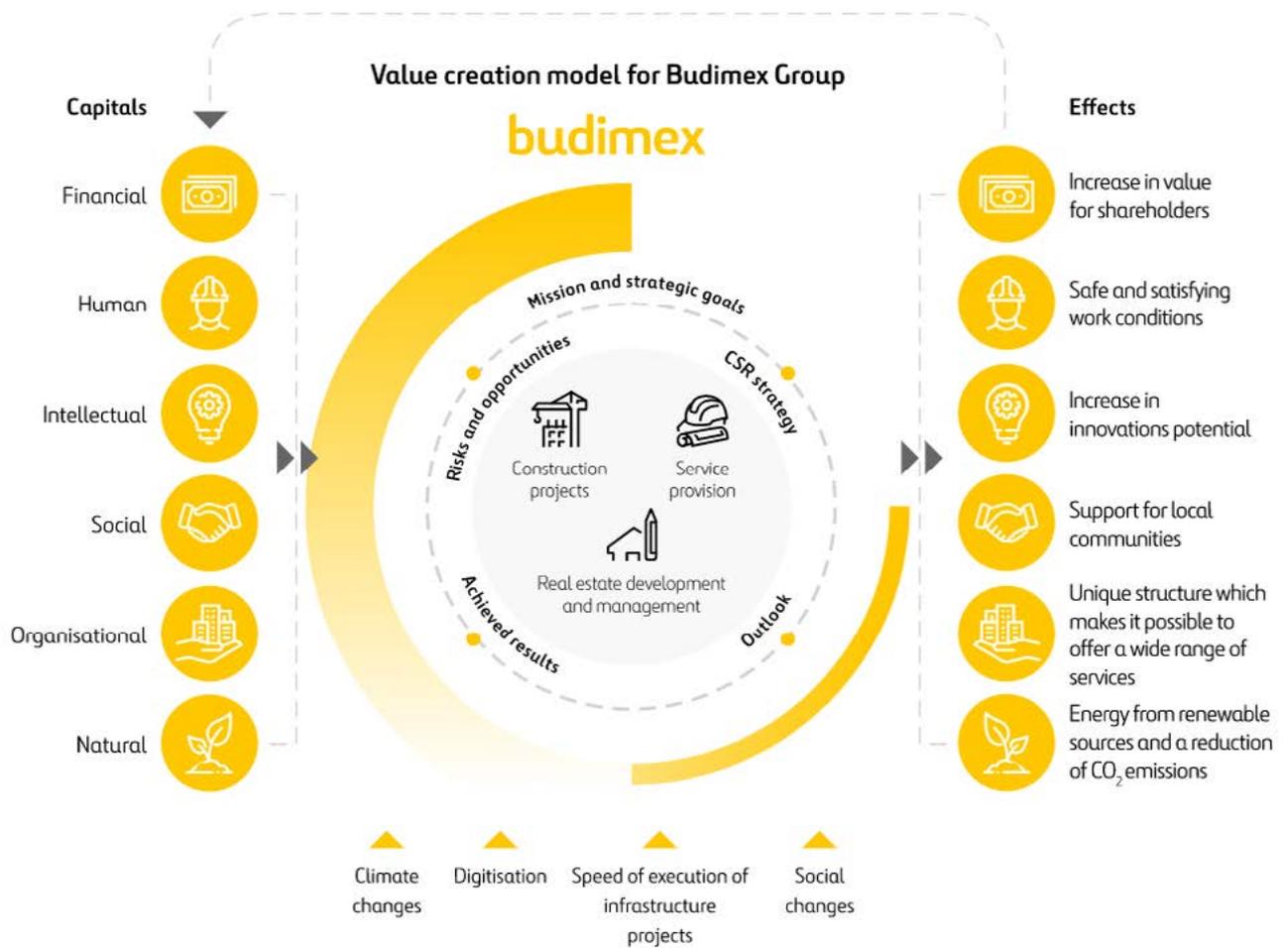


Formally, the Management Board of Budimex S.A. has not adopted a development strategy for the company and the Budimex Group, nevertheless, it undertakes actions aimed at a steady growth of the company's value for all shareholders. In the period covered by the report and in the perspective of the next financial year, it intends to focus on increasing the margins of its portfolio of orders and on winning new profitable construction contracts. In the long run, the Management

Board of Budimex S.A. shall aim at diversifying its activities, both in construction (e.g. by increasing its presence in the railway or hydrotechnical market segments), and in the development of investment and service activities related to road, railway and general construction infrastructure (e.g. projects under the Public-Private Partnership formula, infrastructure maintenance and municipal waste management).



102-16
102-4
102-5 Value creation model





102-16
102-4
102-5

Capitals



Financial capital

The capital from which the Budimex Group finances its business is the funds entrusted to it by shareholders and lenders, as well as the funds that it generates by creating profits.

The Group conducts activities that result in the construction of road and rail infrastructure as well as public facilities. It purchases the necessary raw materials and materials, settles its obligations to its business partners in a timely and reliable manner, and thus ensures their financial liquidity.

Capital input data

total assets:
PLN 6,673,959 thousand*

equity:
PLN 836,640 thousand*

long-term liabilities
PLN 1,049,392 thousand*

short-term liabilities
PLN 4,787,927 thousand*

sales revenues:
PLN 7,569,663 thousand*

net profit:
PLN 228,851 thousand*

Capital management

- increase in the profitability of the construction activity of Budimex S.A.
- traditional seasonal drop in financial involvement in the implementation of large infrastructural contracts in the last months of the year,
- lower amount of dividend paid by Budimex S.A. than in recent years. (half of the net profit for 2019),
- expenditures on the purchase of land in the development segment lower than planned, with simultaneous one-off proceeds from the sale of two pieces of land and the proceeds from the final settlements of several development projects,
- increasing the scale of operations of FBSerwis Group companies and the profitability of their activities, in particular in the segment of waste collection and management as well as maintenance and modernisation of infrastructure

Results achieved

increase in the value of total assets
by 11.8%

increase in equity
by 41.9%

increase in the value of long-term
liabilities by 8.6%

increase in the value of short-term
liabilities by 7.3%

increase in sales revenues
by 10.7%

increase in the net profit
by 106%

*balance at the end of 2019



Human capital

Budimex Group is made up of experienced engineers and other professionals involved in creating sustainable value.

The Group ensures fair working conditions for its employees and counterparties. It supports its workers in the development of competences. It conducts a number of activities for future engineers, e.g. under the “Budimex Academy”, internship and apprenticeships programmes. The core value of its activities is concern for the health and safety of all employees. Therefore, the operations for the sake of safety improvement on construction sites include everyone: employees, contractors, consortium members, suppliers, and individuals involved in the project implementation.

Capital input data	Capital management	Results achieved
number of employees: 7,273	<ul style="list-style-type: none"> introduction of special procedures to protect workers' health in the context of the COVID-19 pandemic start of the “Human Resources Information System” implementation 	Percentage share of new employees 24.9%
number of employed men: 5,748	<ul style="list-style-type: none"> obtaining ISO 45001 certificate implementation of employee engagement surveys organization of the Safety Week implementation of programmes that support the professional development of women and the development of skills among the company's leading employees 	turnover ratio: 27.8%
liczba zatrudnionych mężczyzn: 5 748		decrease in the total number of accidents at work among the company's employees (2020 vs 2019) by 9 cases
		percentage of the company's employees and third-party employees working under supervision of the organisation, covered by the OHS management system 94%



Organisational capital

The organisational capital of the Budimex Group is its unique structure, which makes it possible to gather complementary competences, thus offering a wide range of services.

Budimex Group provides a safe workplace for its employees and contractors, and has a modern stock of the machinery and equipment necessary for the completion of contracts.

Capital input data	Capital management	Results achieved
tangible fixed assets: PLN 512,921 thousand*	<ul style="list-style-type: none"> use of an Integrated Management System consisting of certified quality, occupational health and safety and environmental management systems 	increase in the value of tangible fixed assets by 7%
number of pre-qualified subcontractors: 820		number of conducted final assessments of subcontractors: 694; number of identified irregularities 40

*balance at the end of 2019



Intellectual capital

Intellectual capital is the sum of the unique technical solutions developed over the years, resulting from research and development. It also includes the knowledge and competences of the Budimex Group's employees, who create effective solutions that ensure, among other things, the safety of the recipients of the Group's undertakings and the natural environment.

Capital input data

intangible assets: PLN 168,822 thousand*

number of employees involved in innovative projects: 54*

a number of training hours per employee: 10**

Capital management

- 27 laboratory units located throughout the country
- 50 accredited test methods
- launching the Innovation Zone – a platform for employees to submit, evaluate and implement ideas for improvement and innovation

Results achieved

expenditure on R&D (with consideration of own expenditure and obtained subsidies): PLN 14,910 thousand

more than a threefold increase in the number of employees involved in innovative projects

an increase of 21% in the number of training hours per employee

* balance at the end of 2019

** balance at the end of 2019, applies to Budimex S.A.



Social capital

Social capital, as understood by the Budimex Group, is the ability to build relations with its environment, i.e. with suppliers, subcontractors and local communities, which it supports e.g. through employee volunteering, sponsorship and donations. The Group cooperates with other companies, including competitors ("Agreement for Safety in Construction") to address common problems in the industry.

Capital input data

income tax paid to the state budget in the amount of over PLN 103,506 thousand*

PLN 883 thousand of donations paid for social purposes*

PLN 1650 thousand spent on sponsoring*

Capital management

- elimination of social and environmental conflicts
- implementation of original social programmes
- cooperation and solutions created within the framework of the "Agreement for Safety in Construction"
- implementation of initiatives to support local communities and people affected by the spread of the COVID-19 pandemic.
- running a grant programme and employee volunteering programme

Results achieved

increase in the income tax paid to the budget by 45.5%

almost fivefold increase in the amount allocated for social purposes in the form of donations

* balance at the end of 2019



Natural capital

For the Budimex Group, natural capital is its influence exerted (directly and indirectly) on the environment.

The Group strives to reduce its impact on the environment (including climate), increase the efficiency of natural resources management and applies the principles of ecological responsibility in the supply chain. It protects the most valuable natural areas ensuring correct construction site planning and security. It constantly monitors its impact on the surroundings and responds to all potential risks.

Capital input data	Capital management	Results achieved
total energy consumption: 891,436.57 GJ*	<ul style="list-style-type: none"> recovery of secondary raw materials and soil and earth optimisation of the use of raw materials, materials, energy media and emissions 	decrease in energy consumption by 10%
CO ₂ emissions (range 1 and 2): 78,999.97**	<ul style="list-style-type: none"> defining actions that will reduce the Group's negative impact on the climate, including reduction of greenhouse gas emissions, and helping the business model to adapt to climate change 	15.4% reduction in CO ₂ emissions
Purchase of renewable energy: 9,649.25 GJ	<ul style="list-style-type: none"> environmental management system according to ISO 14001 	64.8% increase in purchased renewable energy
water consumption: 327,321.69 m ³ *		decrease in water consumption by 39%

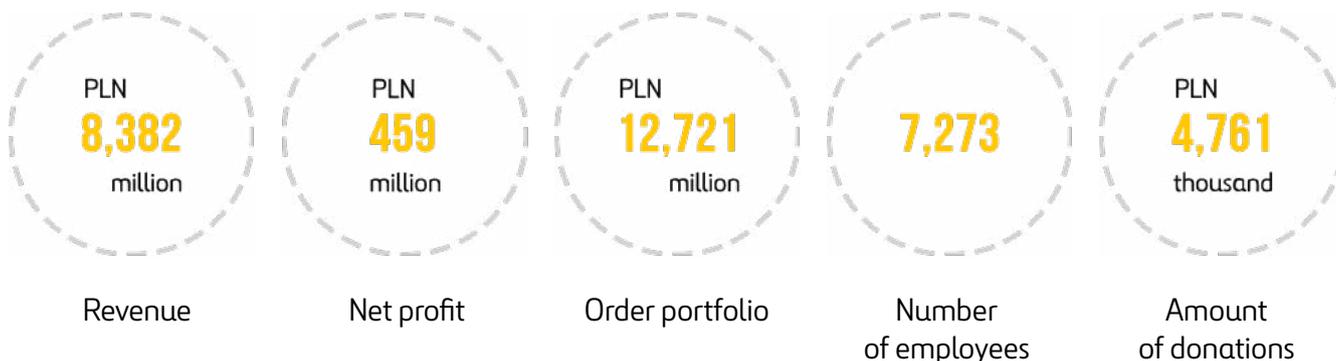
* balance at the end of 2019

** balance at the end of 2019, concerning Budimex S.A.



102-7 Budimex in numbers

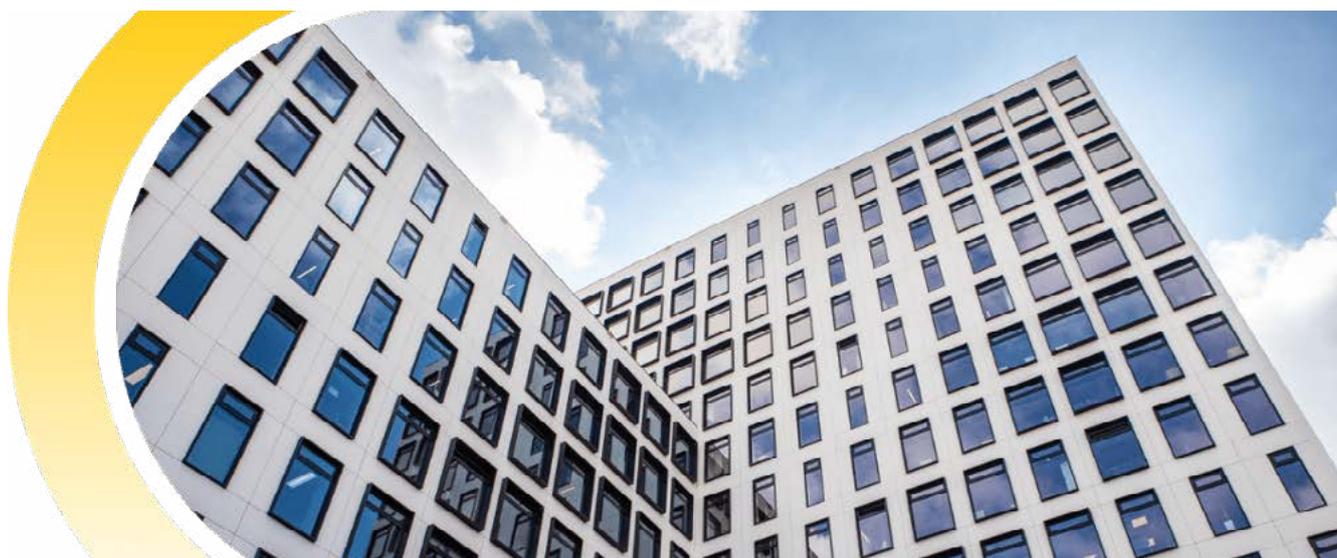
Budimex Group in numbers in 2020:



Budimex Group 2020

financial area	
revenue	PLN 8,382 million
EBITDA	PLN 776 million
net profit	PLN 459 million
order portfolio	PLN 12,721 million
signed contracts	PLN 8,976 million
net cash	PLN 2,125 million
capitalisation at the Warsaw Stock Exchange (31/12/19)	PLN 7,851 million
taxes and ZUS contributions paid:	PLN 1,262 million
recommended dividend for 2020:	PLN 16.70
advance sale in the development segment	1 672 flats
work area	
number of employees	7,273

total number of accidents at work among the company's employees		134
ratio of basic salary of men and women by occupied position		
	blue-collar workers	116.1%
	white-collar workers	120.3%
	managers	106.5%
	executives	112.7%
social area		
amount of donations		PLN 4,761 thousand
environmental area		
total electricity consumption		960,062.73 GJ
total CO ₂ emissions (range 1 and 2)		81 428,79 t CO ₂ e
total water consumption		199,509.22 m ³
corruption counteracting and human rights area		
number of confirmed corruption incidents		0
number of confirmed cases of human rights violations		0

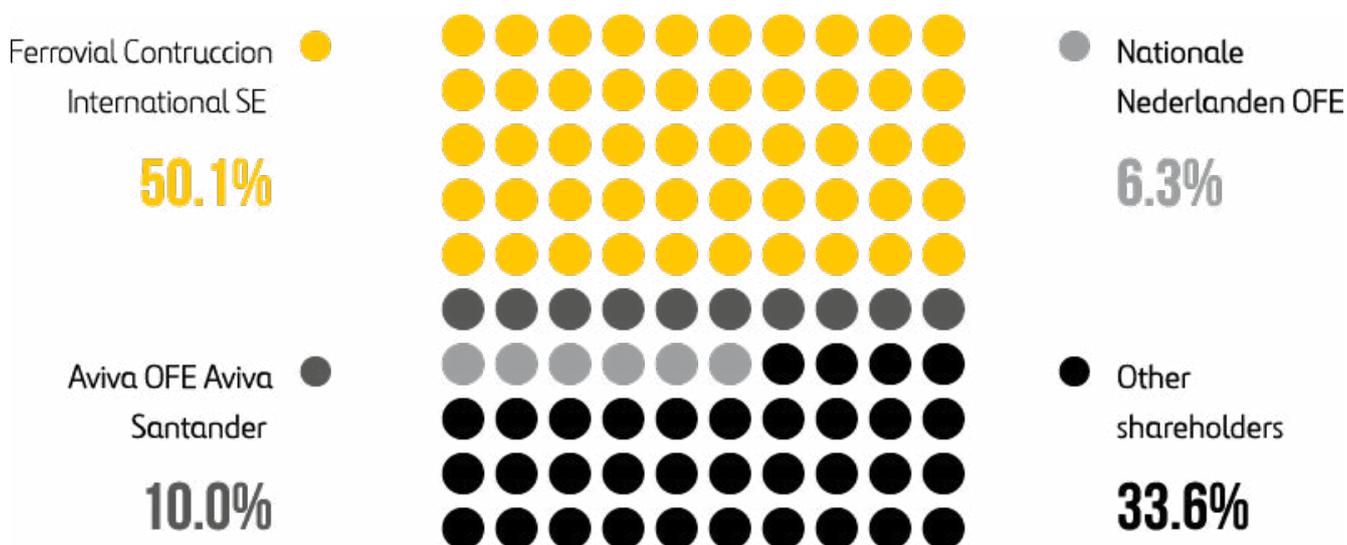


102-5 Structure

Ownership structure of the Budimex Group:

Budimex S.A. – Parent Entity

- Mostostal Kraków S.A. – 100% of shares
- Mostostal Kraków Energetyka Sp. z o.o. – 100% of shares
- Budimex Bau GmbH – 100% of shares
- Budimex Nieruchomości Sp. z o.o. – 100% of shares
- Budimex Budownictwo Sp. z o.o. – 100% of shares
- SPV-PIM1 Sp. z o.o. – 100% of shares
- Budimex Kolejnictwo S.A. – 100% of shares
- Budimex Parking Wrocław Sp. z o.o. – 51% of shares
- FBSerwis S.A. – 100% of shares
 - FBSerwis A Sp. z o.o. – 100% of shares
 - FBSerwis B Sp. z o.o. – 100% of shares
 - FBSerwis Karpatia Sp. z o.o. – 100% of shares
 - FBSerwis Wrocław Sp. z o.o. – 100% of shares
 - FBSerwis Dolny Śląsk Sp. z o.o. – 100% of shares
 - FBSerwis Odbiór Sp. z o.o. – 100% of shares
 - FBSerwis Kamieński Sp. z o.o. – 80% of shares



102-10 Changes in the organisation of the Group:

On 15 June 2020,

the partners of Budimex S.A. Cadagua S.A. Il s.c. agreed to dissolve the partnership as of 30 June 2020 due to the achievement of the business purpose for which the partnership was established.

On 25 June 2020,

FBSerwis Odbiór Sp. z o.o. was registered in the National Court Register. 100% of shares in the share capital of FBSerwis Odbiór Sp. z o.o. are held by FBSerwis S.A.

On 30 June 2020,

the partners of Budimex S.A. Energetyka 3 sp. j. adopted a resolution on the liquidation of the company without conducting liquidation proceedings.

On 22 July 2020

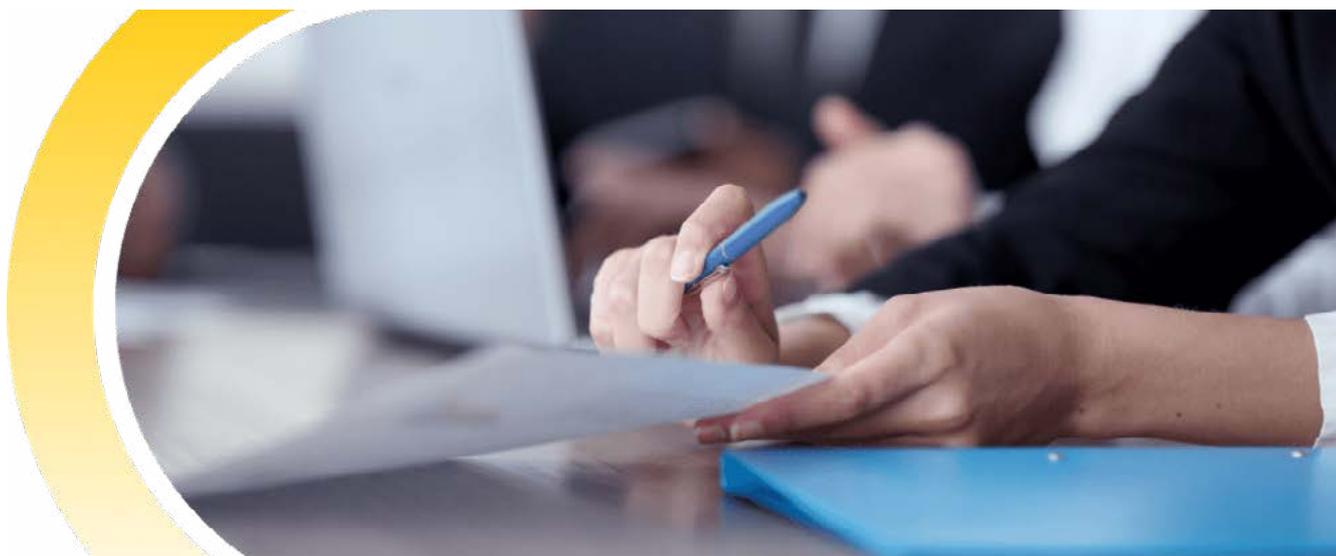
Budimex S.A. Ferroviál Agroman S.A. sp. j., by a resolution of the shareholders, changed its name to Budimex S.A. Ferroviál Construcción S.A. sp. j.

On 31 August 2020,

the partners of Budimex S.A. Ferroviál Agroman S.A. s.c. agreed to dissolve the partnership due to the achievement of the business purpose for which the partnership was established.

On 23 September 2020,

the Extraordinary Shareholders' Meeting of Budimex L Sp. z o.o. adopted a resolution on amending the company's deed of incorporation, inclusive of a change in the name from Budimex L Sp. z o.o. to ConVentures Sp. z o.o. According to the resolution, the company's sole object is to manage investment funds.



102-13 Membership in organisations

The companies from the Budimex Group are members of the following organisations:

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



Awards and distinctions received in 2020

Budimex S.A. was ranked 25th among the largest individual CIT payers for 2019 in Poland, in the CIT ranking published by the Ministry of Finance.

Awards and distinctions in the area of CSR

- The “Responsible Business in Poland 2019. Good practices” report, published by the Responsible Business Forum, includes two social programmes by Budimex: “Parent Zone. Budimex for Children” and “Hello ICE”.
- The company won the “Golden Leaf of CSR” of Polityka weekly.
- Advancement of Budimex to the 6th place (from the 18th place in the preceding year) in the Responsible Companies Ranking.
- The company obtained the title of a “Well-Perceived Company” in the competition organised by BCC.
- The #niezwalniamy initiative, in which Budimex participated, was awarded in the “Benefactor of the Year” competition in the “Social involvement in the fight against the COVID-19 epidemic.” category.
- The company received a distinction in the competition “The Best Annual Report 2019” for the best statement on applying the corporate governance in a company.

Awards and distinctions in the area of construction

- Budimex received a distinction in the “Construction Company of the Year” category in the “Infrastructure and Construction Diamonds” competition.
- The project of Budimex in Gdańsk: Garden Gates – Długie Ogrody 18 was awarded a nomination in the competition for “The most interesting residential project in Tricity of 2019” organised by Trojmiasto.pl.
- Budimex was the first degree prizewinner in three categories in “Construction of 2019” competition. The following were distinguished in the ranking: The .BIG office building in Kraków in the category of “Office Buildings” the Mareckie Educational and Recreational Centre (“Cultural, Scientific and Education Buildings”) and Jaskółka Tarnów sports and entertainment Arena in Tarnów (“Individually Assessed Buildings”).
- According to the study conducted by ASM Centre for Market Analysis Budimex is one of the two best construction companies in the country as rated by subcontractors.

- The Monopolis cultural and business complex in Łódź received the “Oscar of real estate” of MIPIM Awards. It is an international competition, in which the jury acknowledges the most outstanding architectural designs from around the world.
- Monopolis in Łódź also received an award in the “Architecture” category of the Prime Property Prize competition. It is awarded to commercial buildings that make use of innovative solutions, set the trends and are made with respect for the environment and the urban fabric.

Awards and distinctions in the area of HR and OHS

- Budimex, as the only company in the construction industry, was among the 50 best employers in Poland according to the “Wprost” ranking.
- The company won 4th place in the “Engineering” category in the “Universum Most Attractive Employers Poland” ranking, which involved more than 16,000 Polish students.
- The construction of the aircraft engine testing plant in Tajęcina was ranked first in the “Build Safely 2019” competition at the National Labour Inspectorate section in Rzeszów.
- The “Gra o Tor” employment branding project addressed to railway students was awarded in the “Employer Branding Excellence Award” competition in the “EB Innovations” category.
- The Budimex Academy, the company’s recruiting campaign was ranked first in the “Effectiveness” category in the “Recruitment Leaders” competition.
- Budimex received the titles of “Best Quality Employer” and “Company of the Year” awarded by the Central Office for National Certification.
- Budimex received the “Responsible Employer of 2020” award in the “Responsible Employer – HR Leader” competition.

Supply chain



The business model in which Budimex acts as a general contractor means in practice outsourcing many activities and simultaneous coordination and control of the work of a number of subcontractors and suppliers. At the same time, the most important activities and decisions are the responsibility of the company. This method of operation allows flexible resource management and adjustment to current needs. It offers the possibility of adjusting resources to the size and nature of the order portfolio. All this ensures in higher cost efficiency. At the same time, due to the diversified characteristics of works which change in the course of a project, the number and specialisations of the involved subcontractors and personnel also change.

However, such a business model means greater responsibility for the operation of subcontractors' networks. As a consequence, Budimex feels obliged to verify external entities that carry out commissioned works. This is important both for maintaining the highest quality and for the safety of the works that are carried out. Long-term relationships based on mutual trust and up-to-date knowledge about suppliers who

provide services on the market constitute the company's unique capital. Supply chain management requires the effective selection of partners, their ongoing monitoring, evaluation and feedback, and the training of those working on site.

The Budimex Group's supply chain includes not only subcontractors on construction sites, but also entrepreneurs who supply it with materials and raw materials and provide selected specialist services. These include suppliers of steel and reinforcements, concrete, aggregates and cement, road barriers, railway rails, road bitumen, or fuels. The Group also uses external transport and security services.

There were no significant changes in the sources of construction site supply in 2020. The share of no supplier of materials or services exceeded 10% of the sales value of the Budimex and Budimex S.A. Group.

More information on risk management in the chain [HERE](#).

Market environment and growth perspectives



103-1 103-2 103-3 Introduction

According to the assumptions for the state budget for 2021, adopted in December 2020, GDP growth in real terms will amount to 4.0% compared to a decline of 4.6% in 2020. The Institute for Economic Forecasting and Analysis (IPAG) points to the possibility of a slightly more optimistic scenario. According to forecasts published in the first half of February 2021, GDP growth in Poland this year will be 4.3%. The recession is forecast to last until the first quarter of 2021, when GDP will decline by 1.4% before returning to growth. GDP is expected to increase by 9.9% in the second quarter of 2021. IPAG forecasts have been prepared assuming that most of the restrictions will cease to apply in the second quarter of 2021. The budget law adopted by the Sejm assumes an inflation rate of 1.8% for the current year compared to 3.4% recorded last year. A similar IPAG forecast indicates the possibility of a decrease in inflation in 2021 to 2.5%. Increases in electricity prices will be the main source of growth, while inflation should decrease steadily in the first half of the year.

January 2021 saw the start of public consultations of the “Partnership Agreement” on the allocation of EU funds under the next financial perspective of the European Union in the years 2021–2027. The proposed value of the funds allocated to Poland is EUR 76 billion in current prices, compared to EUR 82.5 billion in current prices which were allocated to Poland under the previous financial perspective. EUR 25.1 billion has been allocated to the Infrastructure and Environment programme, compared with EUR 27.4 billion in the previous financial perspective. Despite the decrease in the value of allocations, Poland will remain the largest beneficiary of EU funds. Although the structure of the allocation for individual measures is unknown, the expected scale of support in the area of infrastructure projects should allow the EU funds to maintain a significant role in the development of the Polish construction sector in the coming years. The forthcoming budget perspective will be the first to prioritise rail investment over road investment.

An additional source of investment financing will be the Reconstruction Fund. Poland will receive PLN 23.1 billion, of which PLN 18.9 billion is to go to Poland before 2022 and the rest by the end of 2023. In addition, Poland will receive PLN 34.2 billion in the form of loans.

The forecasts for the construction market, despite economic difficulties, are good. The amounts allocated to investments by the General Directorate for National Roads and Motorways and PKP PLK in 2021 should increase. At the end of 2020, the average value of the order portfolio among contractors active in road and rail markets increased, while companies with a high exposure to the residential segment recorded a decrease in the value of the order portfolio. At the beginning of this year, the number of contracts announced may be small due to the beginning of the new EU perspective and the ongoing consultations on the selection of projects to receive EU funding. Another uncertainty relates to investments financed by local authorities, whose revenues may be reduced due to the economic downturn.

The first stage of the Central Communication Port Investment Programme (CPK) started, which will last until 2023 and will amount to PLN 13 billion. A land survey is currently underway and a detailed land map is being prepared. Prior to that, CPK had concluded agreements for strategic advice with Incheon Airport from Seoul and for environmental investigations. Last year, due to the tenderers’ failure to comply with formal requirements, the contractor for the master plan was not selected. The selection process should be completed in the first quarter of this year. In December 2020, the purchase of land for the construction of CPK began. Apart from investments in airport infrastructure, the CPK construction plan also provides for a number of railway and road investments. The Government adopted a regulation on the list of Investments accompanying the construction of CPK. There are plans to construct 1,800 km of new railway lines and 400 km of new expressways, including the construction of the Warszawa Agglomeration Ring Road (S50), as well as the S10 road between Toruń and Naruszewo.



"The CSR strategy for 2021-2023"

In the second half of 2020, the company developed the "CSR Strategy for 2021-2023", which refers to the UN Sustainable Development Goals and is divided into six key areas of responsibility:



ensuring the highest occupational health and safety standards



reducing the negative impact on the environment and climate,



caring for employee development and work satisfaction



caring for the highest quality and building innovation culture in the company



prevention of abuse



dialogue with and support for local communities



102-6 Road construction

The coronavirus pandemic did not have a significant impact on the investments carried out by the General Directorate for National Roads and Motorways, which commissioned 140 kilometres of new roads last year. The total amount of expenses exceeded PLN 18.0 billion (increase by PLN 4.6 billion compared to 2019), of which PLN 13.2 billion came from the National Road Fund, while the remaining PLN 5.1 billion from the state budget.

The year 2020 was another one in which the General Directorate for National Roads and Motorways significantly increased its activity by publishing 48 tenders (vs 34 in 2019) for sections with a total length of 600 kilometres (480 kilometres in 2019). According to the analyses of Budimex, last year the value of offers opened by the General Directorate for National Roads and Motorways in proceedings of significant value increased (PLN 14.1 billion in 2020 vs. PLN 10.7 billion in 2019). Last year, as part of the National Road Construction Programme (PBDK), tenders were announced for 493.1 km and 32 contracts were signed for the construction of roads with a length of approx. 430 km and a value of PLN 17.7 billion (vs. PLN 5.3 billion in 2019). 3 contracts for general construction of roads with a total length of 19.9 km and a value of PLN 420 million were signed in the “100 Ring Roads Construction Programme”, while 10 further tenders are pending. The programme assumes the construction of roads with a total length of 830 km.

In June 2020, the government increased the PBDK budget by PLN 21 billion. The decision was driven by the increase in costs on the construction market and the inclusion of the investments that were originally to be implemented in the PPP formula (Tricity Beltway, S10 Toruń – Bydgoszcz, S6 on sections Koszalin – Słupsk and Słupsk – Łęborg).

In November 2020, the Council of Ministers adopted a law on changing the name of the Local Government Road Fund to the Government Road Development Fund (RFRD). The project budget was increased by PLN 3 billion and now amounts to PLN 39 billion for the whole 10-year period of operation (2019–2028). The law also extended the list of tasks

that can receive funding from the RFRD to include ring roads along voivodeship roads, urban tasks and investments that improve pedestrian safety at crossings. The maximum funding amounts to PLN 100 million for the construction of the ring road and PLN 30 million for urban tasks. The budget of the project for 2021 is PLN 3.2 billion, as was the case in 2019. The General Directorate for National Roads and Motorways (GDDKiA) has announced its intention to introduce changes to the tendering process by setting up a certification system for contractors, which would reduce the time and costs of bid preparation, while the contracting authority would be able to verify contractors more quickly and effectively. GDDKiA presented the most beneficial corridor variants for the planned sections of the S10 and the Warszawa Agglomeration Ring Road in class S or A. For the S10 section, the most favourable variant with an estimated construction cost of PLN 4.7 billion is the 100-kilometre-long section between Włocławek Północ and Nacpolsk junctions. For the S-class section of the Warszawa Agglomeration Ring Road, the most favourable variant with an estimated construction cost of PLN 10.9 billion is the 165-km-long section between Wiskitki and Dębe Wielkie junctions. For the A-class road, the most favourable variant with an estimated construction cost of PLN 7.5 billion is the 98-km-long section between Wiskitki and Dębe Wielkie junctions. In 2021, the General Directorate for National Roads and Motorways plans to launch 28 tenders for the construction of new roads with a total length of 350 kilometres and a value exceeding PLN 17 billion, including 8 sections of the planned S19 expressway with a total length of approx. 100 kilometres. In addition, road repairs with a total length of 330 kilometres and a value of around PLN 2.5 billion have been planned. In the coming years, an increase in investments in road construction is expected due to a significant increase in the value of announced tender procedures last year. It is worth noting that the share of tenders in the “design and build” formula increased in relation to “construct” formula contracts. Last year, there was also a decrease in the value (by 30% on average) of bids submitted by bidders compared to the investor’s budget.



102-6 Railway construction

The long-term perspective for the development of railway construction in Poland is very favourable. In January 2021, the level of advancement of the National Railway Programme, measured by the percentage of contracts completed and under implementation, exceeded 89%. The new EU financial perspective begins this year, which may increase the tender activity of PKP PLK. The list of tasks with EU funding has not yet been published.

The analyses of Budimex indicate that the value of offers opened by PKP PLK in proceedings of significant value decreased. In 2020 it amounted to PLN 4.9 billion compared to 12.5 billion in 2019. The plan for 2021 assumes announcing at least 60 tenders with a total value of PLN 16.5 billion. The largest of the planned investments include the reconstruction of the Rail Baltica line on the section Białystok – Ełk, reconstruction of the Giżycko – Kętrzyn – Korsze and Kościerzyna – Somonino – Kartuzy routes and construction of the railway ring road

of Poznań. Additionally, 650 million PLN was reserved for renovation and maintenance works. PKP PLK also has design documentation at its disposal, enabling it to announce further tenders for construction works worth several dozen billion PLN. This year the government plans to adopt a programme for the construction of the Małaszewicze Logistic Park. The Cargotor company (PKP Cargo Group) has already submitted an application for a building permit. The total value of the investment will be over PLN 3 billion. Tenders for investments under the Rail Plus Programme should start appearing from next year. As at the end of January 2021, 76 applications had been qualified for the programme, of which tendering procedures for the preparation of the planning and forecasting study have already been announced for 11 projects. The total value of the programme to be completed by 2028 is PLN 6.6 billion.



102-6 Hydraulic engineering

Investments in the area of hydraulic engineering are gradually being prepared. As regards port projects, 3 large investments in container terminals in Gdańsk, Gdynia and Świnoujście are planned. For the port in Gdańsk, a strategic advisor has already been selected, whereas in Gdynia and Świnoujście proceedings are still in progress to select the investor and the future operator of the deepwater terminal. A total of 4 entities are interested in the investment in Gdynia, whereas the opening of bids for the execution of the port in Świnoujście is to take place in the second quarter of 2021. The total value of investments in sea ports is estimated at over PLN 20 billion. The final version of the Oder Waterway Development Programme, which will include the E30 waterway

on the Oder from the Czech border to Świnoujście, should be published this year. In addition, investments are planned in the E40 waterway on the Vistula river from Gdańsk to Warszawa, the Narew and the Bug rivers, and the E70 waterway on the Oder from the Oder-Havel Canal to Kostrzyn, the Vistula-Oder waterway, the Lower Vistula and the Sz-karpawa. The estimated cost of investment in the development of water transport infrastructure is over PLN 77 billion. Of the investments in hydrological infrastructure, the flood protection programme, which has received World Bank funding, is the most advanced. Its key investment is the largest flood protection reservoir with a capacity of 185 million cubic metres in Racibórz.



102-6 Power plant construction

Polskie Sieci Elektroenergetyczne (PSE) are announcing further investments. The President of the Energy Regulatory Authority approved the “Development Plan for the current and future demand for electricity” for 2021-2030. The sum of capital expenditures provided for therein amounts to approx. PLN 14 billion at prices from 2019. The Mikułowa – Czarna line was completed in October 2020. Line connections between Mikułowa – Pasikowice and Czarna – Pasikowice will also be commissioned in the near future. Last year, the company announced the signing of an agreement with the EU Innovation and Networks Executive Agency for financing investments in electricity infrastructure. The project involves creating an energy connection between Poland, Lithuania, Latvia and Estonia. The funding for the network between Poland and Lithuania is worth EUR 493 million. In February 2021, research of the Baltic Seabed began. Next year, work on the Kozienice – Mitosna power line is to start, for which PSE has already received the environmental decision. Currently, the design and tender for the selection of the contractor of construction and assembly works are underway. In the next 10 years, PSE announces investments in transport infrastructure in Lower Silesia worth approx. PLN 950 million.

In the last year, the energy construction segment maintained a good growth rate. Investments in Jaworzno with a capacity of 910 MW and in Stalowa Wola with a capacity of 450 MW were commissioned. Currently, the construction of an energy unit in Turów with a capacity of 450 MW and 500 MW in Żerań in Warszawa is being completed. The construction of the Puławy and Nowy Czarnów power plant has recently started. The Management Board of Enea decided not to finance the construction project for a new gas unit located in Ostrołęka Power Plant. Originally, the project assumed the construction of a coal unit, but ultimately PKN ORLEN decided to build a gas unit in cooperation with PGNiG. The planning stage involves the construction of the “Nowa Czechnica” gas and steam unit in Siechnice near Wrocław, which is to replace the existing coal unit. Last year, a gas connection agreement was signed with Gaz-System. PKN ORLEN informed about the selection of Northland Power Inc. as a partner for the construction of an offshore

wind farm in the Baltic Sea. The cooperation assumes the construction and operation of a farm with a capacity of up to 1.2 GW. PKN ORLEN has already signed a connection agreement with PSE. The construction works will commence in 2023 and will last 3 years. PGE is also preparing for the implementation of offshore power plants, which at the beginning of 2021 signed an agreement with Orsted for the establishment and operation of a company for the construction and operation of two projects with a capacity of up to 2.5 GW. In total, PGE plans to build 3 offshore wind farms with a total capacity of up to 3.5 GW.

The government adopted a resolution “Polish Energy Policy up to 2040”, which sets directions for the development of the energy sector. The strategy is to be based on three pillars of a fair transition of all regions, a zero-carbon energy system and good air quality. The document assumes that in 2030 the share of renewable energy sources in gross final energy consumption should reach 23%, that greenhouse gas emissions will be reduced by 30% compared to 1990, and that offshore power plants will be built with the capacity of 5.9 GW. It is planned that in 2033 a nuclear power plant in one of four locations will go online, i.e. in Lubiatowa, Żarnowiec, near Pątnów or Betchatów. In total, 6 nuclear power plant units are to be built in Poland.

Last November, Gaz-System announced a renewed consultation on the revision of the “Gas Transmission Network Development Plan 2020-2029”. In December 2020, the company announced the signing of agreements with contractors with regard to all sections of the Baltic-Pipe project, which includes the construction of 900 km of gas pipeline by 2022. The first construction works have already started. Polskie LNG (Gaz-System Capital Group) received a permit for the construction of a third liquefied natural gas tank with a capacity of 180 thousand cubic metres at the LNG terminal in Świnoujście. In February 2021, the Lithuanian transmission system operator Amber Grid announced that 126 km of gas pipeline was laid between Poland and Lithuania. The entire investment with a total length of 165 kilometres is planned to be completed by the end of the year.



102-6 Housing construction

Last year there was a decrease in loan costs, and due to the pandemic investors started to look for ways to safely invest capital, yet there was a 19% decrease in the number of sold apartments. In 6 largest markets, i.e. Warszawa, Wrocław, Kraków, Łódź, Poznań and Tricity, 53 thousand apartments were sold compared to 65.4 thousand in 2019. Last year was also another year with an increase in housing prices. On the primary market, it ranged from 3 to 12%, depending on the city. In the current situation, it is difficult to determine the direction in which the sale of apartments will develop in the coming years. In addition, the land base available to developers is shrinking, which may consequently lead to further price increases in the housing market, which may also be fuelled

by increases in the price of construction materials and employment costs. In 2020, as part of the “Mieszkanie Plus” programme, more than 26 thousand apartments were built or started to be built in relation to the planned 100 thousand apartments. In January 2021, the “Premises for Land” Act was passed, which assumes a wider use of land for housing construction. The document stipulates that the municipality, in exchange for the transfer of land for the construction of flats, will receive part of the premises from the investor. On the plot acquired from the municipality, the investor will be able to build a new or renovate the existing building.



102-6 Public-Private Partnership

Budimex is still interested in implementing projects in the Public-Private Partnership (PPP) formula, although few tenders of significant value of this nature appear on the Polish market. One of the largest investment procedures in the PPP formula is the procedure for the construction and maintenance of a tramway line in Kraków, which was completed last year. The value of the project was approx. PLN 1 billion.

Budimex Group in 2020

Results achieved in 2020



102-16
102-4
102-5

Sales structure

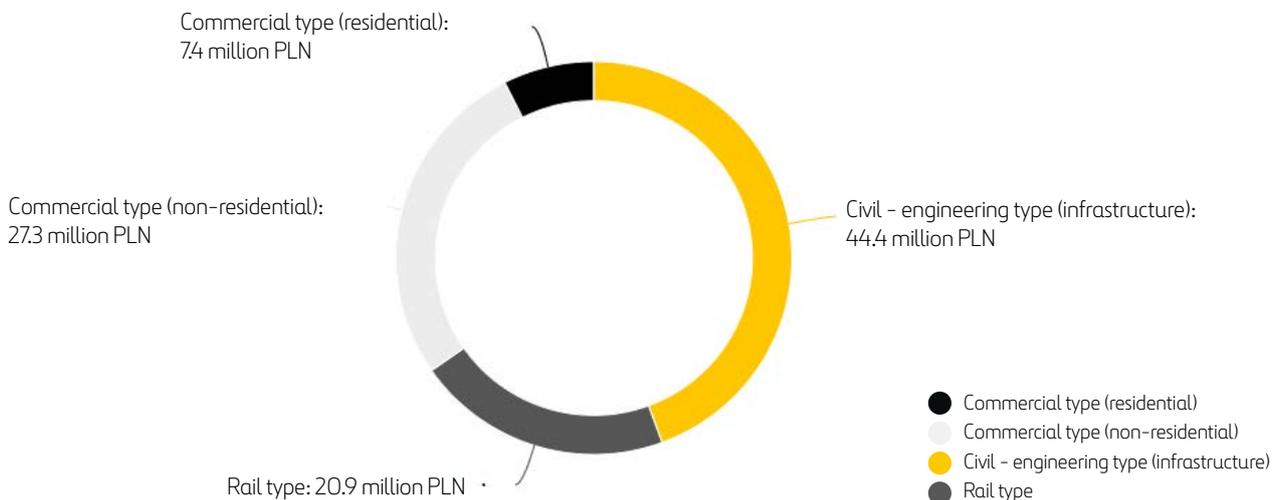
Sale of the construction segment

In 2020, the construction market (measured by the sales value of construction and assembly production) increased by 0.4% compared to 2019, showing a much lower increase in 2019 compared to 2018. The increase occurred in the infrastructure construction sector (+1.2%), while the production volume in the residential construction sector decreased by 0.5%.



The increase in sales in the construction segment of the Budimex Group, compared to 2019, was 5.4%.

The share of the infrastructural segment in the total revenue from Group's construction and assembly services increased from 43.2% in 2019 to 44.4% in 2020. As a result of acquiring new railway contracts, the share of this segment in the structure of revenues of the Group's construction segment increased from 16.6% in 2019 to 20.9% in 2020. The share of residential, commercial and industrial construction decreased from 40.1% in 2019 to 34.7% in 2020.



Facility type	Sales value			
	2020		2019	
	million PLN	%	million PLN	%
civil – engineering (infrastructure)	3,347	44.4%	3,092	43.2%
rail	1,577	20.9%	1,190	16.7%
commercial, including:	2,615	34.7%	2,870	40.1%
- non-residential	2,055	27.3%	2,215	31.0%
- residential	560	7.4%	655	9.1%
total sales in the construction segment	7,539	100%	7,152	100%

Property development



In 2020, revenue from the sale of property development amounted to PLN 673,564 thousand, with an increase of 21% compared to the previous year.

Revenue from the sale of property development is recognised at the moment of transferring the ownership title to the flat/premises to the buyer, after the commissioning of the entire facility. Therefore, the notarial sales of apartments depend on the completion dates of construction projects and the delivery of finished apartments to customers and is not a seasonal phenomenon or one which is possible to compare year-to-year.

In 2020, the pre-sales of the development sector amounted to 1,672 apartments and was slightly higher (17 apartments) than in the previous year. The demand for new apartments throughout 2020 proved stable, despite a noticeable drop in pre-sales in March – April, i.e. the period of close closure of the economy. The main drivers of pre-sales were low interest rates and rising inflation pressure, which resulted in the transfer of free funds from banks to the real estate sector.

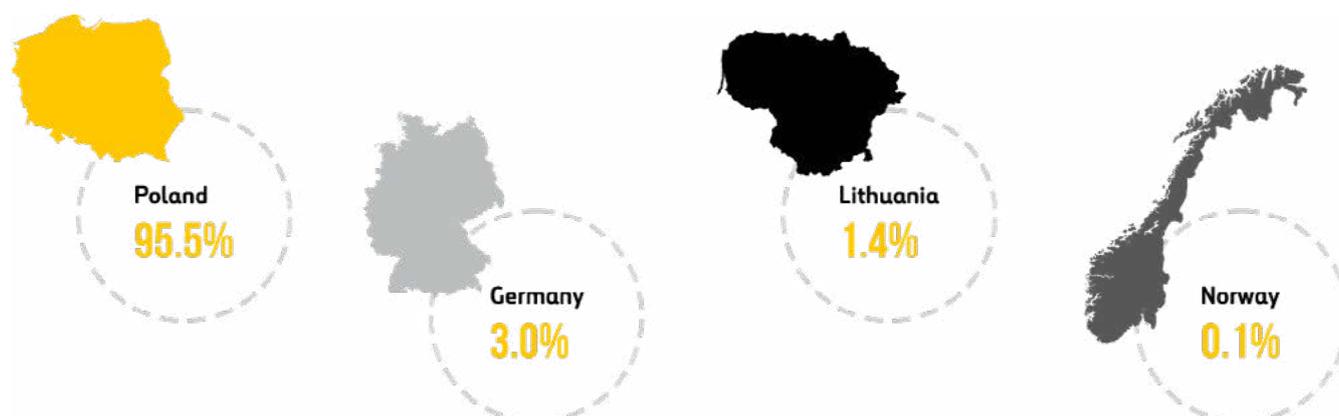
As a result of commencing the construction of ten new housing projects, the land bank decreased from the level of approx. 8 thousand apartments at the end of 2019 to approx. 6.5 thousand at the end of 2020.

At the beginning of the second half of 2020, the Management Board of Budimex S.A. decided to initiate a review of strategic options of the development segment, as part of which it decided to analyse scenarios including the acquisition of a significant investor or investors, sale of shares or listing the company on the Warsaw Stock Exchange. As a result of the review, on 22 February 2021 Budimex S.A. concluded a conditional agreement for the sale of 100% of shares in Budimex Nieruchomości Sp. z o.o. to CP Developer S.ar.l.

Main markets where Budimex Group operates are:

- Poland
- Germany
- Lithuania

Geographic structure of sales revenue in 2020 is as follows:





Contracts of Most Significance

The most important construction contracts concluded by the Budimex Group companies in 2020

Counterparty	Contract value for the Budimex Group	Description
PKP Polskie Linie Kolejowe S.A.	1,760,519	Performance of construction works related to the reconstruction of the Warszawa Zachodnia station
General Directorate for National Roads and Motorways / Białystok Branch	843,737	Design and construction of the S61 expressway, Augustów bypass – state border, section: end of the Suwałki bypass – Budzisko with the Szypliszek bypass
General Directorate for National Roads and Motorways / Warszawa Branch	486,828	Design and construction of the S7 expressway in the section Płońsk – Czosnów, section III from the “Modlin” junction (with the junction) to the “Czosnów” junction (without the junction)
General Directorate for National Roads and Motorways / Szczecin Branch	471,398	Design and construction of the S11 Koszalin – Szczecinek road, section junction Koszalin Zachód (without the junction) – junction Bobolice. Section 1
General Directorate for National Roads and Motorways / Białystok Branch	469,108	Design and construction of the S19 road in the section from Białystok Zachód junction (without the junction) to Białystok Książyno junction (with the junction)
General Directorate for National Roads and Motorways / Bydgoszcz Branch	460,802	Continuation of designing and constructing the S5 expressway in the section Nowe Marzy – Bydgoszcz – border of the Kujawsko-Pomorskie and Wielkopolskie Voivodeships. Section 1
General Directorate for National Roads and Motorways / Kraków Branch	380,223	Construction of the S1 road Kosztowy – Bielsko-Biała. Section IV of the Oświęcim Ring Road (National Road 44 class fast traffic trunk road)
Miejskie Przedsiębiorstwo Wodociągów i Kanalizacji w m.st. Warszawie S.A.	348,979	Construction of the Vistula collector – stage II
Operator Gazociągów Przesyłowych GAZ-SYSTEM S.A.	314,800	Construction of the DN1000 Goleniów – Lwówek gas pipeline together with the infrastructure necessary for its operation. Section 1 – Goleniów – Ciecierzycze
General Directorate for National Roads and Motorways / Katowice Branch	229,368	Construction of the S1 road, Pyrzowice – Kosztowy, section Podwarpie – Dąbrowa Górnicza (reconstruction of national road no. 1)
General Directorate for National Roads and Motorways / Olsztyn Branch	165,604	Construction of the S5 expressway on the section Ornowo – Wirwajdy
Road and Bridge Administration in Lublin	188,187	Construction of the Integrated Communication Centre (ZCK) for the Lublin Functional Area (LOF) – tasks 1.3 and 4
Polish Theatre in Szczecin	159,395	Extension of the Polish Theatre in Szczecin



Summary of the completion of CSR strategy objectives for 2016–2020

Objectives	Indicator (KPI)	Objective for 2020	Accomplishment
Area 1: Improvement of occupational health and safety standards			
zero fatal accidents among the company's employees and employees of subcontractors operating at construction sites.	number of fatal accidents	0	target not achieved (two fatal accidents occurred in 2020; more information: OHS training and prevention)
lowering the value of the accident frequency index among Budimex Group's employees.	level of accident frequency among Budimex Group's employees	<100% of the index value of the last level	target achieved (2019 – 14.98 2020 – 13.32)
lowering the value of the accident severity index among Budimex Group's employees.	level of accident frequency among Budimex Group's employees	<100% of the index value of the last level	target not achieved (2019 – 36.6 2020 – 37.45)
Area 2: Reduction of the environmental impact			
effective use of energy and reduction of related emissions	Toe/1 million of sales revenue	2.85	target achieved (2020 – 2.69)
optimum use of raw materials and materials and minimisation of generated waste	[t] secondary material/ [t] "new" material	0.79	target achieved (2020 – 2.52)
control of environmental risks and prevention of environmental damage and emergencies.	number of failures and incidents	<100% of the last year's value	target not achieved (2019 – 8, including 1 failure and 7 incidents 2020 – 13, including 3 failures and 10 incidents, none of the events had any signs of damage to the environment)
Area 3: being a neighbour, guest and partner for local communities			
zero environment-related conflicts which might result in the cessation of works	number of environment-related conflicts which might result in the cessation of works	0	target achieved (2020 – 0)

Area 4: Eliminating unethical behavior			
zero unverified cases of potential unethical conduct	number of unverified cases of potential unethical conduct	0	target achieved (2020 – 0; more information: Whistleblowing system)
Area 5: Building unique competencies and friendly workplace atmosphere			
level of voluntary turnover of employees	voluntary turnover of employees with less than 1 year of service (less than or equal to 365 days)	level – 1% compared to the previous year	target achieved (2019 – 10.88% 2020 – 8.19%)
Area 6: Top quality assurance			
Maximisation of the Quality Conformance (QC) index	value of the Quality Conformance (QC) index	≥100% of the last period's value	target achieved (2019 – 94.6% 2020 – 96.1%; more information: Quality management)
Area 7: Support of the culture of innovation			
Increase in innovativeness	educational activities related to the development of innovations in the construction industry, including providing necessary information, how to identify and develop innovations	≥100% of the number of employees involved in the implementation of innovative projects	target achieved (2019 – 54 employees 2020 – 177 employees; more information: Research and development projects)
Area 8: provision of surveillance mechanisms for social and environmental results of activities.			
provision of reliable financial and non-financial reporting	social reporting	publication of integrated reports	target achieved (Budimex prepares annual integrated reports)

Financial situation of Budimex Group



102-16
102-4
102-5

Characteristics of the basic economic and financial values of the Budimex Group

The Budimex Group's financial situation in 2020 is characterised by selected economic and financial values published in the statement of the financial position and profit and loss account (listed below with comparable data for 2019).

Consolidated statement of financial position of the Budimex Group

See the table below for the main items of the consolidated statement of the financial position of the Budimex Group, as of 31 December 2020, in comparison with the status valid as of 31 December 2019

Assets	31/12/2020	31/12/2019	Change	Change %
Non-current (long-term) assets	1,536,267	1,434,542	101,725	7.09%
tangible fixed assets	548,812	512,921	35,891	7.00%
investment properties	9,876	7,721	2,155	27.91%
intangible assets	162,030	168,822	(6,792)	(4.02%)
goodwill of subsidiaries	168,508	168,508	-	0.00%
investments in equity accounted entities	2,221	2,076	145	6.98%
investments in equity instruments	6,922	7,816	(894)	(11.44%)
retentions for construction contracts	40,843	59,212	(18,369)	(31.02%)
trade and other receivables	28,550	41,887	(13,337)	(31.84%)
concession agreement receivables	46,654	46,690	(36)	(0.08%)
assets for deferred income tax	521,851	418,889	102,962	24.58%
Current (short-term) assets	5,925,973	5,239,417	686,556	13.10%
stocks;	1,998,255	2,013,756	(15,501)	(0.77%)
trade and other receivables	918,039	1,096,157	(178,118)	(16.25%)
retentions for construction contracts	28,770	48,433	(19,663)	(40.60%)
valuation of construction contracts	594,315	444,008	150,307	33.85%
current tax assets	338	108	230	212.96%
other financial assets	1,858	120,978	(119,120)	(98.46%)
cash and cash equivalents	2,384,398	1,515,977	868,421	57.28%
Total assets	7,462,240	6,673,959	788,281	11.81%

As of 31 December 2020, the consolidated value of assets increased by PLN 788,281 thousand in relation to the status as of the end of December 2019, as a result of the increase in the value of fixed assets by 7.09% (PLN 101,725 thousand) and increase in the value of current assets by 13.10% (PLN 686,556 thousand).

Non-current (long-term) assets:

The following factors caused the change in the value of fixed assets as of 31 December 2020 in comparison with the value as of 31 December 2019:

- an increase in the balance of property, plant and equipment by PLN 35,891 thousand, mainly as a result of the purchase and lease of fixed assets of PLN 176,211 thousand; in turn, depreciation decreased the balance of property, plant and equipment by PLN 120,371 thousand,
- increase in the balance of deferred income tax assets by PLN 102,962 thousand, as a result of an increase in the balance of negative temporary differences on the position on the part of liabilities,
- a decrease in the balance of deposits under construction contracts by PLN 18,369 thousand.

Current (short-term) assets:

At the same time, current assets increased by PLN 686,556 thousand, mainly as a result of an increase in cash and cash equivalents by PLN 868,421 thousand.

Other significant changes in current assets concerned:

- +decrease in the balance of short-term other financial assets by PLN 119,120 thousand, including mainly the sale of bonds issued by Polish banks,
- an increase in the balance of valuation of construction contracts by PLN 150,307 thousand, which is related to lower invoicing of works performed in the last quarter of the year,
- decrease in the balance of trade and other receivables by PLN 178,118 thousand as a result of quicker repayment by investors.

Equity and liabilities	31/12/2020	31/12/2019	Change	Change %
shareholders' equity attributable to the shareholders of the Parent Company	1,149,351	808,149	341,202	42.22%
core capital	145,848	145,848	-	0.0%
share premium	87,163	87,163	-	0.0%
other reserves	(139)	1,180	(1,319)	(111.78%)
foreign exchange differences on translation of foreign operations	6,473	7,000	(527)	(7.53%)
retained earnings	910,006	566,958	343,048	60.51%
equity allocated to non-controlling shares	37,920	28,491	9,429	33.09%
Total equity	1,187,271	836,640	350,631	41.91%
Liabilities	6,274,969	5,837,319	437,650	7.50%
long-term liabilities	1,139,735	1,049,392	90,343	8.61%
loans, borrowings and other external sources of financing	261,663	273,258	(11,595)	(4.24%)
retentions for construction contracts	240,263	229,522	10,741	4.68%
provisions for long-term liabilities and other charges	593,398	498,422	94,976	19.06%
retirement benefits and similar obligations	18,505	14,979	3,526	23.54%
other financial liabilities	21,264	19,807	1,457	7.36%
provisions for deferred income tax	4,642	13,404	(8,762)	(65.37%)
short-term liabilities	5,135,234	4,787,927	347,307	7.25%
loans, borrowings and other external sources of financing	189,067	177,108	11,959	6.75%
trade and other liabilities	1,371,850	1,530,773	(158,923)	(10.38%)
retentions for construction contracts	216,458	215,032	1,426	0.66%
provisions for construction contract losses	310,441	240,677	69,764	28.99%
valuation of construction contracts	1,302,164	951,448	350,716	36.86%
deferred income	1,469,626	1,356,310	113,316	8.35%
provisions for short-term liabilities and other charges	227,111	216,746	10,365	4.78%
current tax liability	44,815	96,653	(51,838)	(53.63%)
retirement benefits and similar obligations	1,623	1,877	(254)	(13.53%)
other financial liabilities	2,079	1,303	776	59.55%
Total equity and liabilities	7,462,240	6,673,959	788,281	11.81%

Equity and liabilities

On the equity and liabilities side, changes referred to

- increase in “retained earnings” as a result of very good net profit for 12 months of 2020,
- increase in long-term liabilities by PLN 90,343 thousand, primarily due to:
 - increase in the balance of liabilities due to provisions for long-term liabilities by PLN 94,976 thousand, mainly as a result of an increase in the balance of provisions for guarantee repairs and court cases,
 - an increase in the balance of deposits under construction contracts by PLN 10741 thousand.
- increase in the value of short-term liabilities by PLN 347,307 thousand, where the main changes referred to:
 - an increase in the valuation of construction contracts in the amount of PLN 350,716 thousand, constituting the difference between the revenues invoiced to investors and the revenues recognised in the profit and loss account,
 - increase in the balance of provisions for contract losses in the amount of PLN 69,764 thousand,
 - an increase in the balance of deferred income by PLN 113,316 thousand, mainly as a result of an increase in the balance of advance payments for apartments in the amount of PLN 307,557 thousand, and a decrease in advance payments for construction contracts (decrease by PLN 192,380 thousand),
 - and an increase in the balance of loans, borrowings and other external sources of financing by PLN 11,959 thousand, including primarily an increase in lease liabilities.

Consolidated profit and loss account



Consolidated profit and loss account	01/01 – 31/12/2020	01/01 – 31/12/2019	Change	Change %
net revenues from sale of products, services, goods and materials	8,382,240	7,569,663	812,577	10.73%
costs of products, services, goods and materials sold	(7,445,207)	(7,018,111)	(427,096)	6.09%
Gross profit on sales	937,033	551,552	385,481	69.89%
selling costs	(31,273)	(30,478)	(795)	2.61%
general management costs	(276,966)	(198,992)	(77,974)	39.18%
other operating revenues	138,737	99,453	39,284	39.50%
other operating costs	(128,959)	(103,141)	(25,818)	25.03%
Operating profit	638,572	318,394	320,178	100.56%
financial revenue	34,708	60,127	(25,419)	(42.28%)
financial costs	(51,385)	(50,949)	(436)	0.86%
share in net profits / (loss) of subsidiaries measured by equity method	145	4,785	(4,640)	(96.97%)
Gross profit	622,040	332,357	289,683	87.16%
income tax	(150,646)	(103,506)	(47,140)	45.54%
Net profit for the period	471,394	228,851	242,543	105.98%
of which per:				
– shareholders of the parent company	459,465	226,014	233,451	103.29%
– non-controlling shares	11,929	2,837	9,092	320.48%

+10,73%

In 2020 the Budimex Group realised profit on sales of PLN 8,328,240 thousand, which represents an increase close to 10.73%, in comparison to figures for the corresponding period in 2019.

In 2020, construction and assembly production in Poland, expressed in current prices, increased by 0.4% compared to the same period of the previous year (an increase by 2.2% at constant prices), while sales of the construction sector of the Budimex Group on the domestic market increased by 6.2% in the comparable periods.



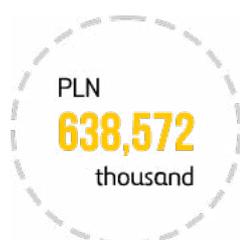
In 2020, the gross profit on sales was PLN 937,033 thousand, in comparison with PLN 551,552 thousand in the previous year. Consequently, the gross return on sales in 2020 was 11.2% versus 7.3% in 2019.

According to the accounting rules assumed, in case the budgeted costs for construction contract implementation exceed the total value of expected revenues, when this fact is identified, the companies of the Group create provisions for losses presented in the consolidated financial statement as "Provisions for construction contract losses". As at 31 December 2020, provisions for contract losses amounted to PLN 310,441 thousand. In 2020, the balance of provisions for contract losses increased by PLN 69,764 thousand.

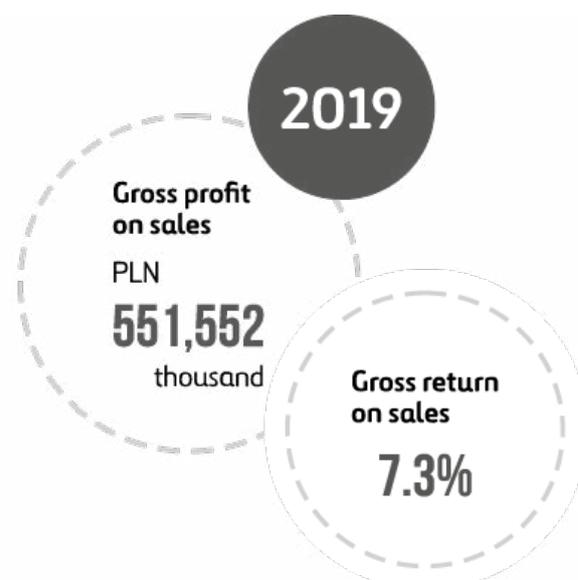
In the case of construction services, the companies of the Budimex Group are obliged to provide a guarantee for their services. As at 31 December 2020, the value of provisions for guarantee repairs amounted to PLN 591,478 thousand. In the 12-month period, which ended on 31 December 2020, the balance of provisions for guarantee repairs increased by PLN 110,767 thousand.

In comparison with the previous year, the sales costs in the period of 12 months ending on 31 December 2020 increased by PLN 795 thousand, while the general management costs were higher by PLN 77,974 thousand than costs borne in 2019. The ratio of share of the total sales costs and general management costs increased from 3.0% in 2019 to 3.7% in this year.

Other operating revenues in 2020 amounted to PLN 138,737 thousand and other operating costs amounted to PLN 128,959 thousand. A detailed analysis of other revenues and other operating expenses is presented in note 32 to the consolidated financial statements.



In 2020, the Group showed an operating profit in the amount of PLN 638,572 thousand, which was 7.6% of the sales revenue value. In the previous year, the operating profit amounted to PLN 318,394 thousand, which was 4.2% of the sales revenue value.



In the 12 months period ending on 31 December 2020, the Group recorded a loss on financial activity amounting to PLN 16,677 thousand, in comparison to a profit of PLN 9,178 thousand in 2019. A detailed analysis of financial revenues and costs is presented in note 33 to the consolidated financial statements.

The Group closed the year 2020 with a gross profit of PLN 622,040 thousand, in comparison to the gross profit of PLN 332,357 thousand in the previous year.

In 2020, the obligatory charge on the financial result resulting from the income tax amounted to PLN 150,646 thousand, including:

- current part in the amount of PLN 262,024 thousand (including minus 7,391 thousand constituted by adjustments for previous years),
- the deferred part amounting to PLN 111,378 thousand.

As at 31 December 2020, the Group recognised deferred income tax assets in the amount of PLN 521,851 thousand and deferred income tax provisions in the amount of PLN 4,642 thousand, while as at 31 December 2019 the Group showed deferred income tax assets in the amount of PLN 418,889 thousand and a provision in the amount of PLN 13,404 thousand. The items of the financial statement relating to the deferred income tax in the Budimex Group result mostly from the specificity of construction contract settlements in which the moments of classifying costs as incurred and classifying revenues as fulfilled are different in the tax and accounting context.

The net profit assigned to Budimex S.A. shareholders for 2020 amounted to PLN 459,465 thousand, in comparison to PLN 226,014 thousand for 2019, which constitutes an increase by 103.3%.

The net profit assigned to non-controlling interest for 2020 was PLN 11,929 thousand. In the previous year, this value amounted to PLN 2,837 thousand.



Consolidated statement of cash flow

Cash and cash equivalents included in the Statement of Cash Flow comprise cash on hand and bank deposits payable on demand and deposits easily converted into a given amount of cash or which are subject to a slight risk of value change.

The Budimex Group entered the year 2020 with cash on hand and cash in bank amounting to a total of PLN 1,515,977 thousand. For the purpose of the Statement of Cash Flow, this amount was reduced by the amount of cash of restricted use of PLN 175,762 thousand. The net cash flow for 2020 was positive and amounted to PLN 740,277 thousand. As of 31 December 2020, the Group's reported cash balance was PLN 2,384,398 thousand, of which the cash of restricted use was PLN 302,900 thousand.

In 2020, the cash from operating activities increased by PLN 887,512 thousand, mainly due to lower financial involvement of the companies of our Group and increased investors' involvement in the executed projects.

The cash flow from investing activities came out to a positive balance of PLN 96,429 thousand, which was mainly a result of selling corporate bonds issued by Polish banks.

The cash flow from financing activities for 2020 showed a negative balance and amounted to PLN 243,664 thousand and were mainly the payment of dividend for 2019 and of lease and loan liabilities.

In the Group, included in cash of restricted use are mainly cash items representing:



security for bank guarantees



amounts gathered on escrow accounts and blocked accounts of development companies



accumulated on the split payment accounts



amounts gathered on trust and current accounts in the part payable to partners implementing construction contracts in cooperation with a Group company.



Finance management at Budimex Group



The cash balance and liquid deposits of the Budimex Group as at 31 December 2020 amounted to PLN 2,384,398 thousand and was PLN 868,421 thousand higher than at 31 December 2019.

The most important factors having a positive impact on the above change in the financial resources of the Budimex Group during 2020 include the following events:



increase in the profitability of the construction activity of Budimex S.A.



traditional seasonal drop in financial involvement in the implementation of large infrastructural contracts in the last months of the year



lower amount of dividend paid by Budimex S.A. than in recent years. (half of the net profit for 2019)



expenditures on the purchase of land in the development segment lower than planned, with simultaneous one-off proceeds from the sale of two pieces of land and proceeds from final settlements of several development projects



increase in cash balance in FBSeis Group companies as a result of increasing the scale of the Group companies' operations and increasing the profitability of their operations, especially in the waste collection and management segment and infrastructure maintenance and modernisation

In accordance with the Group's policy, cash surpluses were placed as bank deposits at banks with a good rating standing. In addition, Budimex S.A. used cash surpluses to finance its suppliers of services and raw materials, which had a positive effect on the financial liquidity of these suppliers, and was significant for them during the COVID-19 pandemic.

At the same time, the Budimex Group companies reported an external debt in respect of bank loans and borrowings and other external sources of finance, including finance lease liabilities, which as at 31 December 2020 amounted to PLN 450,730 thousand, including PLN 196,238 thousand being a value of leasing values recognised in accordance with IFRS 16. Comparable with previous years, the amount of the Group's external debt due to bank loans, borrowings and leases, understood in accordance with IAS 17, i.e. not containing lease liabilities, disclosed in accordance with IFRS 16, amounted to PLN 254,492 thousand and was

thus lower by PLN 20,012 thousand compared to 31 December 2019 and higher by PLN 15,559 thousand compared to 31 December 2018 (table below). The Group's financial debt consists of: debt of Budimex S.A., Budimex Kolejnictwo S.A., Mostostal Kraków S.A., Budimex Nieruchomości Sp. z o.o. and companies of the FBSerwis Group

under leasing agreements (concluded to finance the acquisition of tangible fixed assets), debts of Budimex Parking Wrocław Sp. z o.o. under a loan to finance a concession project and a subordinated loan granted by a shareholder, debts of FBSerwis Wrocław Sp. z o.o. under an overdraft facility, debts of FBSerwis Kamieński Sp. z o.o. and FBSerwis Wrocław Sp. z o.o. under loans granted by NFOŚiGW to finance investments related to waste management. At the end of 2020, the Group did not have any debt due to the bonds issued.

Liabilities due to bank loans and borrowings and other external sources of finance:

	31/12/2020	31/12/2019	31/12/2018
long-term	184,902	209,725	184,110
long-term (liabilities under lease – IFRS 16):	76,761	65,533	-
short-term	69,590	64,779	54,823
short-term (liabilities under lease – IFRS 16):	119,477	112,329	-
Total	450,730	450,366	238,933

The following ratios illustrate the structure of finance at the Budimex Group:

Ratio	31/12/2020	31/12/2019	31/12/2018
equity to assets ratio: (equity attributable to the shareholders of the Parent Company) / (total assets)	0.15	0.12	0.14
equity to fixed assets ratio: (equity attributable to the shareholders of the Parent Company) / (fixed assets)	0.75	0.56	0.75

Ratio	31/12/2020	31/12/2019	31/12/2018
total debt ratio: (total assets – equity attributable to the shareholders of the Parent Company) / (total assets)	0.85	0.88	0.86
debt to equity ratio: (total assets – equity attributable to the shareholders of the Parent Company) / (equity attributable to the shareholders of the Parent Company)	5.49	7.26	6.34

At the end of 2020, the ratios that show the sustainability of the capital structure improved, i.e. the coverage of assets with equity increased and at the same time total debt and equity debt decreased. The increase in equity as a result of the increase in profitability of operations and the lower amount of dividend paid by Budimex S.A. compared to previous years had the biggest impact on the decrease in the value of these ratios. (half of the net profit for 2019).

Liquidity ratios (current and quick) at the end of 2020 were at a higher level compared to previous years. The increase in liquidity ratios was influenced by a significant increase in cash balance with a relatively lower change in the value of short-term liabilities as compared to similar periods in the past.

Ratio	31/12/2020	31/12/2019	31/12/2018
current ratio (current assets) / (short-term liabilities)	1.15	1.09	1.14
quick ratio (current assets – inventory) / (short-term liabilities)	0.76	0.67	0.73

Owing to the current good financial standing of the Budimex Group, the cash resources, access to credit limits in banks and the still insignificant level and the favourable structure of financial debt, there are no threats to the Group's ability to finance its business activities in 2021.

Contribution to infrastructure development



103-1 103-2 103-3 203-1 CRE8 Significant investments made in 2020

Since the inception of Budimex in 1968, thousands of kilometres of local, national, express and motorway roads have been created or modernised with its participation. The company contributes to the development of railway infrastructure, and its contribution to the social and economic development of the country also includes thousands of constructed apartments, industrial and residential facilities, including technical infrastructure. Budimex executes all the projects entrusted to it with the utmost care, and owing to its unique know-how and constantly developing competences, the process of their implementation is ever shorter and less burdensome for the environment.

In 2020, the following investments implemented by the company received certificates of sustainable construction:

- extension, reconstruction and renovation of the Home Army Soldiers of the II Region "Celków" Elementary School no. 2 with the Integration Departments in Marki at ul. Szkolna 9 – BREEAM certificate, level Good,
- 2BC8 – Education and Recreation Centre in Marki – BREEAM certificate, level Very Good,
- Construction of Lidl Mińsk Mazowiecki distribution centre in Kałuszyn, LEED certificate, Gold level

Significant investments made in 2020 Infrastructure construction

S5 Wronczyn – Kościan

Completion:
01/2020

Value:
PLN 296 million net

The works on the section of the S5 expressway with a length of 18.9 km were finished by Budimex S.A. a month before the deadline – a modern road connected Poznań and Wrocław. 22 engineering facilities and 2 road junctions were created as part of the project conducted under the "design and build" mode: Czempin and Kościan Północ. Two service points – 'Kokorzyn' and 'Sierakowo' – as well as a network of technical and access roads were established along the route as well. Approximately 2.5 million m³ of earthworks were carried out. 0.3 million tonnes of bituminous mass were laid. During the implementation of the investment, the company used innovative measurements made using photogrammetry with the use of drones, 3D models, traffic sensors, online monitoring, automated method of securing the construction site, as well as modernised process of weighing materials delivered to the construction site.



S7 Skarżysko-Kamienna Ring Road

Completion:

05/2020

Value:

PLN 211 million net

The investment included works on the nearly 8 km section of the S7 expressway (between the border of Świętokrzyskie and Masovian Voivodeships and Skarżysko-Kamienna), which connects the S7 expressway with the former route of national road No. 7, thus facilitating local traffic in the vicinity of Skarżysko Książęce. The Skarżysko-Kamienna Ring Road is the last Świętokrzyskie section of the S7 connecting Kielce with Warszawa and Kraków. Budimex S.A. built a dual carriageway with two lanes in each direction with a length of 7.6 km. Connection with the route is possible on two junctions: Skarżysko-Kamienna Północ and Skarżysko-Kamienna Zachód. 2 bridges, 6 road overpasses (five in the line of the S7 and one above the S7), 2 passages for medium and 5 for small animals and retaining walls from reinforced soil with a total area of 6400 m² were constructed.



Hydrotechnics

Racibórz Dolny flood protection tank

Completion:

05/2020

Value:

PLN 685 million net

The Racibórz Dolny tank was planned as a polder, which is a dry area that only fills with water in the event of flooding. The polder will contain the water in the event of a flood, protecting an area of approximately 600 km, from Racibórz, through Kędzierzyn-Koźle, Brzeg, Opole, Oława to Wrocław.



Railway construction

Modernisation of LCS Kutno on the E-20

Completion:

10/2020

Contract gross value:

PLN 560 million net

The consortium of companies, in which Budimex S.A. was one of the partners, modernised the Kutno Local Control Centre (section of Żychlin – Bartłogi) on the E-20 railway route. The company performed works on the section of the E-20 line from km 149.000 – to km 172.000, including the routes of Krzewie – Kłodawa, Kłodawa – Zamków and Bartłogi – Koło, Kłodawa station, Zamków junction post and Bartłogi station.

The reconstruction included disassembly of tracks, reinforcement of the subgrade and construction of a new surface, construction of a new catenary system and two new control rooms – in Kutno and Bartłogi. A new computer railway traffic control system was installed at Kłodawa and Bartłogi stations. Execution of works on the Zamków section – the border of LCS Kutno required the introduction of a complete closure of the line and railway traffic was rerouted. Additionally, during the works and line closures, substitute bus transport was introduced. The works on this section, thanks to proper organisation, involvement of the construction team and work 24 hours a day, were completed one week before the planned contractual deadline.

On the sections modernised as part of the E-20 line project completed by Budimex S.A., traffic travels at a speed of 160 km/h for passenger trains and 120 km/h for cargo trains. Due to line modernisation and traffic management from local control centres, line capacity increased and travel time between Poznań and Warszawa will be 2 hours 20 minutes, according to PKP PLK forecasts.



Warszawa Ring Railway Line

Completion:

05/2020

Contract gross value:

685 mln zł netto

At the request of PKP PLK, the consortium of companies led by Budimex S.A. reconstructed a small ring railway line, no. 20 in Warszawa. As part of the works, the company made 4 km of new track surface on the no. 20 two-track line on the Warszawa Zachodnia – Warszawa Gdańska section. During the project implementation, four railway stops were modernised and reconstructed: Warszawa Koło, Warszawa Zachodnia platform no. 8, Warszawa Wola and particularly important Warszawa Młynów, which is an interchange junction that connects railways, trams and Młynów – station on the second underground line. The reconstructed stops are equipped with: innovative lighting, facilities for the disabled (lifts, mobile stairs), CCTV monitoring system, and technological communication devices (wire and radio). Moreover, it included the catenary system, power and teletechnical networks, railway traffic control devices and 3 railway overpasses – over Kasprzaka St., Wolska St. and Obozowa St., and 2 pedestrian footbridges – at Prądzyńskiego St. and over Górczewska St. Within the framework of the reconstruction of engineering facilities, the stormwater and sanitary sewage system, gas and water supply system were modernised and a new local control centre building was built.



LCS Idzikowice in the Central Railway Route

Completion:

06/2020

Contract gross value:

PLN 131 million net

“Modernisation of Idzikowice station” is a contract performed by the consortium Budimex S.A. and KZA Lublin. The scope of works included: construction and modernisation of the track surface along with the subgrade and drainage, reconstruction of the catenary system and power network, construction of new railway traffic control devices, reconstruction of teletechnical networks and construction of a control room and extension of the emergency maintenance hangar for PKP PLK. The project was delivered under the Design and Build formula. Budimex S.A. delivered works under the project “Railway Line 4 Upgrade: Central Trunk Line Stage Two” (Modernizacja linii kolejowej nr 4 – Centralna Magistrala Kolejowa etap II), intended to retrofit one of the strategic Polish railway lines to the 250 km/h speed standard. To this end, the mainline tracks had 14 points installed with moving swing-nose crossings, with 10 at R=1200 and 4 at R=500. A total of 44 new points were installed at Idzikowice Station with 19 km of new tracks and 25 km of new catenary sections.



General construction

Railway station in Białystok

Completion:

10/2020

Value:

PLN 36 million net

Modernisation works of the historic railway station in Białystok began in November 2018. As part of the investment, the original interior decoration was restored, including elements such as: wall and ceiling decorations, cast iron columns and decorative floors. Thus, the interior of the facility refers to its appearance of 1910. The mezzanine made in the building during its previous modernisation and an annex from the 1980s were also demolished. Restoring the historical appearance of the facility by highlighting its architectural and historical values has been reconciled with full adaptation of the building to the needs of people with limited mobility, including travellers with disabilities. Budimex S.A. also reconstructed the nearest vicinity of the station, e.g. by planting decorative trees and bushes, as well as constructing new car parks and parking places, which made it more aesthetic and functional. Nearly 160 m² of the roof surface of the building is occupied by a 24-kW photovoltaic system, and there is also a charging station for electric vehicles.



Communication Centre in Kielce

Completion:

06/2020

Value:

PLN 55 million net

The Communication Centre in Kielce is an interchange junction for city/suburban buses and car transport. This place will also become a centre for meetings and cultural and entertainment events. As part of its modernisation, Budimex S.A. installed decorative elements on roofs of all levels of the bus station, floors and small architecture inside the station and on the square in front of the building, as well as over 40 LED displays.



The transfer centre in Katowice

Completion:

01/2020

Value:

PLN 52 million net

It is one of the most important interchange junctions in Katowice, which serves long-distance buses, both domestic and international. A shelter of approx. 5 thousand m² was built over the station, based on a steel structure weighing approx. 500 tonnes. Its roof is divided into 18 independent sections made of 775 panels with built-in LED strips and 70 skylights. Variable light intensity, depending on day time and weather conditions, is controlled automatically by using twilight sensors. An important part of the facility is also the passenger service building, in which there are waiting rooms for passengers, ticket offices, toilets and recesses for luggage cabinets. There is also a car park with an area of 1.5 thousand m² intended for over 50 cars. As part of the works, a bicycle shelter, a staging area for buses, a taxi rank and a “kiss&drive” bay were also made.



R&D centre of PKN ORLEN in Płock

Completion:

10/2020

Contract gross value:

PLN 167 million net

The investment comprises 7 buildings, including an office building, a technical building with a laboratory, a re-production and testing building, and an external warehouse with an installation for fuel mixing. The total surface area of the facility that meets the requirement of high technological advancement, adjusted to the research specificity of the refinery and petrochemical industry, is 8,500 m².



Head office of the Transport Technical Inspection in Warszawa

Completion:

03/2020

Value:

PLN 91 million net

The new head office of the Transport Technical Inspection is located at the junction of Puławska and Bukowińska Streets. The investment fully complies with the implementation standards of Budimex S.A., combining functionality and quality with the visual layer. The modern design of the project is expressed in the body of the building, which is divided into two parts. The first, lower part, is a five-storey podium housing the conference and office facilities. The other part of the building is a 55 m, nineteen-floor tower with hotel rooms (from the 7th floor) featuring an impressive panoramic view of Warszawa's skyline. Under the entire building is a two-storey underground car park with 121 parking places. The total area of the property is almost 24,000 m².



Commercial construction

Aircraft Engine Test Cell Facility in Jasionka

Completion:

06/2020

Value:

PLN 85 million net

The Test Cell Aircraft Engine Test Facility building is designed to test one of the state-of-the-art aircraft engines, the Pratt & Whitney PW1000G. The tests will take place 24 hours a day, 365 days a year. The dynamometer made by Budimex S.A. belongs to one of the quietest test chambers in the world and has the highest intake and exhaust stacks, filled with an array of sound dampers to cope even at full power of the jet engine. The construction was carried out at the request of the American company ASE AeroSystem, which specialises in the design and construction of jet engine dynamometers for and wind tunnels.



Monopolis in Łódź

Completion:

03/2020

Value:

PLN 78 million net

Monopolis is a complex of buildings located at the junction of two major streets – al. Piłsudskiego and ul. Kopcińskiego, near the Łódź Fabryczna railway station. The basic assumption of the project was to restore the coherence of the entire post-factory area of the Polmos spirits factory (Zakład Spirytusowy Polmos). Preparing the facilities for their new functions was as important as preserving their original appearance. Budimex S.A. performed the works in two stages. In the first stage, the buildings of the former vodka monopoly factory were restored and adapted to their new functions. In the second stage, an underground garage for buildings A2 and A3 was constructed and the structure of building A3 was reconstructed. The total usable area of buildings B2, B3, B4, B5, B6 as well as the gallery and museum of the former Polmos is 14,500 m² (office area 6,000 m²). The facility received the “Real Estate Oscar” during the prestigious MIPIM Awards in Paris and an award in the “Architecture” category at the Prime Property Prize competition.



General medical and laboratory construction

Construction of the Rydygiera Voivodeship Complex Hospital in Toruń

Completion:

06/2020

Value:

PLN 391 million net

Budimex S.A. built technical facilities, a multi-level garage building with a solar installation on the roof and an administration building together with a dissecting-room, as well as a building for the infectious diseases ward, psychiatry, hospital clinics and a cytotoxic laboratory in which medicines used in oncological chemotherapy are prepared. Walls on the operating block were also installed and all rooms were integrated. The main building roof features a helicopter landing strip equipped with a second evacuation exit. The entire hospital complex is equipped with an innovative pneumatic mail system which ensures the transfer of documents, medicines and samples between buildings. The psychiatry building and the main building were connected with a 40-metre connector in a steel structure, based on reinforced concrete frames with a glass façade.



Oncology Centre of the Lublin Region

Completion:

06/2020

Value:

PLN 129 million net

In July 2018, Budimex S.A. took over the construction carried out in 40% by another contractor. The buildings that were subject to reconstruction dated from the 1960s and 1970s. The company completed the construction of the entire hospital complex in the scope of stages 2 and 3. A complete reconstruction of hospital facilities located at K. Jaczewskiego St. was undertaken, the old bed building was demolished with a connector on the south-eastern side, which was replaced by a new one. A new administration and teaching centre was also built. All buildings are linked with a connector that enables free communication. The scope of works also included the construction of a two-level underground car park with technical and storage rooms



Energy and industrial construction

Power unit at Turów Power Plant

Completion:

04/2020

Value:

PLN 3,530 million net

Power:

450 MW

As part of the consortium with Mitsubishi Power Europe GmbH and Técnicas Reunidas S.A. a separate power unit of 450 MW was built in the power plant, working to supercritical steam parameters. The production unit will be a single-conveying tower flow boiler with a dust furnace and a low-emission combustion chamber. It will function with a condensing steam turbine. Under the contract, the block has been equipped with all technological systems necessary for its operation.



Modernisation of the existing flue gas desulphurisation installation and the flue gas removal system at Łaziska Power Plant

Completion:

08/2020

Value:

PLN 58 million net

The works were carried out in consortium with Mitsubishi Hitachi Power Systems Europe. As part of the project, the existing flue gas desulphurisation system and the flue gas removal system at Łaziska Power Plant were partially modernised. The investment was implemented under the “design and build” system. The scope of works included: a liquidation of the GAVO exchanger to IOS (flue gas desulphurisation), construction of an additional “wet” chimney to discharge flue gases from the absorber, modernisation of the absorber consisting in installation of a sieve shelf improving the efficiency of desulphurisation and the connection of the exhaust flues of units 9 and 10 with the exhaust flues of units 11 and 12 together with an installation of sealed flaps enabling configuration of operation of the blocks for any flue gas desulphurisation.





R&D projects

103-1
103-2
103-3
203-1
CRE8

The contribution to socio-economic development of Poland does not concern only the tangible effects of the executed contracts, but also the innovative ideas that are developed by the Budimex Group.

In 2020, the company participated in the following projects co-financed from EU and national funds:

- **SeHePa** – development and implementation of innovative self-healing asphalt pavement technology of high durability; The project valued at PLN 4,020,928.27 (carried out by Budimex S.A. and the Warsaw University of Technology) involves the development of a technology to produce an intelligent additive for road asphalt which will be in an inactive state under certain conditions of use of the asphalt road surface, but which, as a result of the appearance of micro-cracks in the asphalt binder, will become active and repair (close) them. The project will result in increased durability of asphalt roads, extending the periods between renovations and lowering the costs of road use
- **SAFEWAY** – infrastructure management system, supporting the response to extreme events on trans-European transport networks (TEN-T). The purpose of the project, valued at EUR 4,521,100, carried out by an international consortium, is to design and implement methods, strategies and tools aimed at increasing the strength of land transport infrastructure. It includes research on climate and weather phenomena, fires, seismic risk, high temperatures and others. The implementation of the project will contribute to the improvement of safety of the transport infrastructure, and establish the basis for the development of tools for predicting and mitigating effects of extreme events in all types of road disasters.
- **BIMERR** – development of a package of tools supplementing the BIM technology, supporting the energy renovation process of existing residential buildings. The project, valued at EUR 6,933,320, involves the building information modelling and its main purpose is to help stakeholders involved in the thermal upgrading process in the area of AEC (architecture, engineering and construction) through the design and development of a new set of tools – from concept to delivery. Budimex S.A., in the course of the BBIMERR project, supported the use of BIM technology as, on the one hand, a tool for cost optimisation and, on the other hand, offering added value to the client and seeking solutions that enable the implementation of investments that meet the criteria of certificates, such as BREEM or LEED.
- **InRaNoS (BRIK)** – innovative solutions aimed at protecting people and the environment from noise caused by railway traffic. The project with a value of PLN 3,885,865 will develop prototypes of devices installed in the railway surface, which will limit vibrations and noise emission caused by railway traffic, rail dampers
- **InRaViS (BRIK)** – innovative solutions aimed at protecting people and buildings from vibrations caused by railway traffic. The aim of the project valued at PLN 7,300,726.83, is the development of four products intended for ballast (sub-ballast vibroinsulation mats and sub-sleeper pads) and non-ballast (sub-slab vibroinsulation mats and system of block rail supports in the cover) structures of track superstructure.
- **CONCERT** – Configurable Collaborative Robot Technologies. This is a new three-year project worth EUR 2,998,432.50 implemented by Budimex S.A. as part of an international consortium. Its purpose is to develop modular robots intended to perform or support works at construction sites, especially where the works performed are burdensome or dangerous to employees.

In 2020, for the second year in a row, Budimex S.A. became involved in the municipal acceleration programme “WARSAW booster’20” carried out for the capital city of Warszawa by the following foundations: MOST, Startup Hub Poland and Coalition for Polish Innovations. The aim of the project is the support of young local technology companies in establishing relations with the municipal authorities and companies operating in Warszawa.

The company also launched the Innovation Zone – a special platform for employees for management of the process of reporting, assessment and implementation of ideas for improvements and innovation.

Main objectives of the Innovation Zone:



gathering ideas in one place



recording projects implemented by the company
(including R&D discounts)



improving the effectiveness of analyses and
implementation of innovative projects,



automation of alerts to people involved in the
assessment and implementation of innovations,



enabling a comparative analysis
of the effectiveness of innovations and
improvements,



archiving information and data for the analysis
of collected ideas, their percentage progress and
the areas they apply to.

Innovation projects in Budimex:

	2019	2020
expenditure on R&D (with consideration of own expenditure and obtained subsidies, in PLN thousand)	2,101	14,910
number of employees involved in innovative projects	54	177

Initiatives in response to the Covid-19 pandemic



In the face of an unprecedented situation caused by the COVID-19 pandemic in 2020, first and foremost, special procedures were introduced, which were aimed at protecting the health of employees and ensuring the continuity of operational activities.

- Places of work have been so adapted that they are fully safe under the conditions of the pandemic (disinfectants, masks, visors, partitions separating work areas).
- The possibility of performing a screening test for the presence of the coronavirus was introduced for employees (e.g. as part of the “Safe return to work after the holidays” campaign).
- A system for reporting threats connected with the pandemic was developed and implemented.
- As part of our employees’ health insurance, webinars with a virologist and psychological consultations were made available.
- E-learning training on COVID-19 and safety standards at the Budimex Group were implemented.
- A series of webinars and tips on the effectiveness of remote work and online meetings was organised.
- Training and development activities have been transferred to the virtual world, while maintaining their full content and quality. Development programmes were transferred to the online world while maintaining a full substantive scope and the quality of operations.
- All types of training: managerial, specialised, technical, negotiating, communication, computer, language and personal effectiveness training was carried out using various generally available applications.
- Meetings related to recruitment processes were transferred to the virtual environment. Such a solution additionally made their planning and organisation (logistic issues related to territorial dispersion, synchronisation of calendars, etc.) more effective.

Budimex also undertook a number of additional actions aimed at helping institutions that fight the consequences of the coronavirus and support the victims of its dissemination.

nearly
PLN 2 million

The company donated nearly PLN 2 million to help hospitals as part of “We are together. We help!” campaign and joined the #niezwalniamy action to protect as many jobs as possible.

The companies participating in the project declared that if their economic situation as a result of the pandemic necessitated a reduction in costs, they would only ultimately reduce them in the area of employment. The #niezwalniamy initiative was awarded in the “Benefactor of the Year” competition in the “Socially involvement in the fight against the COVID-19 epidemic.” category.



budimex

“Grant for volunteering in the fight against COVID-19.”

Budimex also organised a special edition of the “Grant for volunteering” programme under the slogan: “Grant for volunteering in the fight against COVID-19.” Within its framework, employees helped centres and people affected by the pandemic.

The initial contribution of the Ferrovia Group was EUR 5 million. The collected funds were used as donations to hospitals, universities, research and development centres and NGOs. The aid also came to Poland – the Polish Red Cross received EUR 195,000. The funds were earmarked for the distribution of meals and hygiene products to 3,000 single elderly people from 53 Polish cities and for the purchase



ferrovial

“Ferrovia Together COVID-19”

Ferrovia, the owner of the Budimex Group companies, set up a special fund, “Ferrovia Together COVID-19”, with the aim of raising funds to fight the consequences of the spreading coronavirus.

of personal protective equipment and sanitary materials for hospital employees and social assistance centres, as well as for beneficiaries and institutions constantly cooperating with the Polish Red Cross, e.g. accommodation facilities in Szczecin and community centres for children in Lublin, Katowice and Kraków.



The FBSerwis Group allocated more than PLN 400 thousand for hospitals, municipalities, city authorities and other entities in the locations where the Group’s contracts are performed and its plants are located.

Institutions that received aid: Wt. Biegański Specialist Hospital in Łódź, Central Clinical Hospital of the Ministry of Interior and Administration in Warsaw, Pomeranian Centre for Infectious Diseases and Tuberculosis in Gdańsk, Provincial Specialist Hospital in Wrocław, County Hospital in Radomsko, Independent Public Healthcare Complex in

Rzeszów, Provincial Podkarpacki Hospital in Krosno, the Centre for Social and Vocational Rehabilitation “Słoneczne Wzgórze” Occupational Activity Centre in Tarnów, Radków Gmina (Lower Silesia Voivodeship), Kamieński Gmina (Łódź Voivodeship), Town Hall in Środa Śląska, Town Hall in Przemyśl and the Ermed Foundation in Wrocław.



Budimex Nieruchomości, on the other hand, sent personal protective equipment (masks, gloves, disinfectants, visors and glasses) to the institutions and organisations that provide assistance to elders. They were allocated to nursing homes, hospitals, district councils and parishes in Kraków, Wrocław, Poznań, Warszawa and Gdańsk.

Mostostal Krakow has supported local communities in the Małopolska province by donating personal protective equipment, disinfectant fluids etc. The help was given to: social welfare homes, communal social welfare centers, voluntary fire brigades, ambulance services, local doctors, an orphanage.

Environment



103-1
103-2
103-3

Environmental management Introduction

The issues related to responsible management of the environment in Budimex are regulated by the “Principles of the Company’s Responsibility Policy”, which include a commitment to reduce the impact of the environment (and climate), effectively manage natural resources and

promote environmental responsibility in the supply chain; The company is also guided by the “Principles of the Environmental Protection Policy” which refer to the creation of added value in a sustainable manner.

“The Principles of the Environmental Protection Policy” oblige the Budimex Group companies to:



comply with national, local and industry environmental standards

and openness in cooperation with administrative bodies in this area



prevent pollutant emissions,

including the reduction of greenhouse gas emissions



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

e.g. in the form of exchange of experiences



conduct training and information campaigns concerning environmental protection,

among employees and suppliers



use natural resources in more efficient way,

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



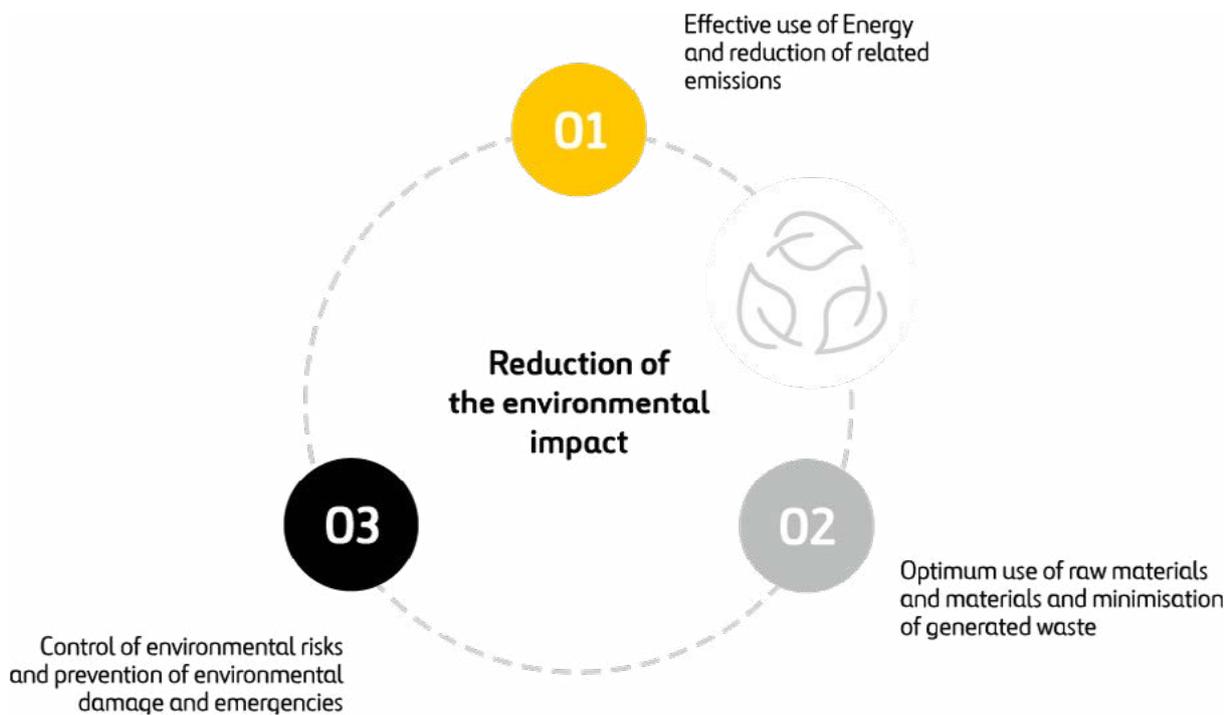
take actions to preserve valuable natural areas

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

In 2018 the Budimex Group started the implementation of the **Environmental Strategy**, addressed to employees, contractors, subcontractors and suppliers. It contains 4 rules of conduct and 11 environmental aspects with defined basic standards. In 2019 the verification process was implemented for the performance of the strategy through internal audits of the Construction Site Assessment System (SOB). 65 SOB audits were carried out in 2020, which did not reveal any major irregularities

Actions and measurable objectives to be achieved in environmental protection were an important element of the **CSR Strategy for 2016-2020**.

The “Reduction of the environmental impact” area was divided into three objectives:



Reducing the negative impact on the environment and climate is also one of the pillars of the „CSR Strategy for 2021-2023”.



Environmental risk management

For the Budimex Group, a significant category of business risk is a potential lack of compliance of conducted activities with environmental protection law, administrative decisions or social expectations in this area. Its materialisation could have direct effect on both business continuity and financial result. These can include:

- financial sanctions,
- suspension or delay in works,
- protests by residents and/or environmental organisations,
- loss of reputation as a desired contractor of construction works.

In the long-term perspective, the risks arising from the climate crisis are of particular importance. The Budimex Group must take into account in its risk model the issue of their business model's resilience to climate

change and related financial burdens imposed on emitters of greenhouse gases.

Prior to the commencement of each investment project, it is assessed in terms of environmental risks and their minimisation. This is done through the Questionnaire of Environmental Requirements and Aspects filled in by the construction manager and contract manager. Then the risk exposure is analysed, and the final result of the process is the development of an Environmental Task Plan for Construction implemented into the Safety and Health Protection Plan.

The sum of risks at all construction sites is calculated using the MARS tool. Mitigation measures are developed each year for the highest risk aspects.

In the risk assessment process, Budimex Group takes into account the following environmental aspects:

Risk aspect	Environmental impact
interaction with the construction site environment	<ul style="list-style-type: none"> • neighbourhood nuisance • complaints • damage to the image • occurrence of a serious industrial accident • occurrence of disturbances in the plant operations
use of land and soil	<ul style="list-style-type: none"> • land occupation • soil contamination • change in land use
water use	<ul style="list-style-type: none"> • change in the quantitative status of waters • soil and water contamination • change of flow, water pollution
waste emission	<ul style="list-style-type: none"> • land occupation • surface contamination, bacteriological risk • soil and water contamination
emission of pollutants into the air	<ul style="list-style-type: none"> • emission of dust pollution • emission of dust and gas pollution

emission of vibrations and noise	<ul style="list-style-type: none"> • noise emission • emission of vibrations • physical damage
use of raw materials and materials	<ul style="list-style-type: none"> • use of raw materials • savings in the use of raw materials
use of hazardous substances	<ul style="list-style-type: none"> • soil and water contamination
impact on biodiversity	<ul style="list-style-type: none"> • losses in forest stand • damage to forest stand • losses in natural capital (losses in animal population)
cultural heritage	<ul style="list-style-type: none"> • losses in facilities with a cultural value
emergencies	<ul style="list-style-type: none"> • soil/water/air contamination



Environmental protection standards

Budimex Environmental Protection Standards govern the rules of proper protection of water, soil, air and biodiversity during the performance of construction works and auxiliary processes. Environmental procedures for construction sites are established under uniform internal procedures: Environmental management on contracts and OHS and EP organisation and management on contracts.

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

- designing technological routes in a way that ensures an economical use of land and minimal modification of its surface,
- restoring the site to its condition from before the construction,
- minimisation of tree removal, relocation of plants elsewhere and replanting,
- protection of trees from mechanical damage in the construction site impact zone,
- preparation of construction facilities (depots, warehouses and transportation bases): they are firstly localised in already developed and transformed areas, if possible far from residential buildings and valuable natural areas,
- reduction to the necessary minimum of the land occupancy in forests and wetland areas,
- materials necessary for construction should be transported primarily within the designated right-of-way,
- introduction of solutions protecting from contamination with chemical substances from the construction site on sections where earthworks and works are carried out in the vicinity of water reservoirs,
- particular attention to the environmental protection from contamination with petroleum derivative products from vehicles and construction machinery,
- relocation of fauna and flora living in habitats interfering with the construction site to new areas,
- monitoring of the construction site by naturalists, e.g. ornithologists, ichthyologists, herpetologists, entomologists, botanists, chiropractors depending on the site specificity and on local protected species,
- cessation of works when animals enter the project zone,
- implementation of the schedule and work cycle in a way strictly correlated with the natural cycle,
- performance of works in the vicinity of noise-protected areas only during the day,
- management of materials and waste according to the 3R principle (reduce, reuse, recycle),
- minimisation of idling with regard to engines of machinery and vehicles of the construction site,
- speed reduction within the construction site and in its vicinity,
- preparation of construction sites for unexpected situations and providing them with equipment necessary in case of contamination.

Impact on the local environment and biodiversity



102-11 Introduction

103-1
103-2
103-3
304-2

One of the key areas of the CSR Strategy for 2016–2020, indirectly related to the natural environment, is

“being a neighbour, guest and partner for local communities.”

This means mainly a commitment, also for subcontractors, to reduce the adverse impact of activities on the residents of neighbouring areas. Environmental amenities most often concern the course of roads in the vicinity of households and passages for animals, according to their migration routes and the preservation of protected areas (ecotones) in forests. In order to protect nature, drainage systems are also being created. Transparent sound-absorbing screens are also put up

Formally, the investor is responsible for preparing the project, including public consultation and environmental impact level. The Budimex Group's companies, acting as the general contractor, have no direct impact on these issues. Only as a designer for a given contract, the company has an impact on project preparation with regard to its environmental and social aspects. The key to success is to carefully prepare and organise construction sites and facilities, in particular such routing of technological roads that they are as little burdensome as possible from the point of view of road participants and local residents.

Construction facilities, warehouses, yards and transportation bases are firstly located on already developed and transformed territories. If possible, the construction site is organised at a safe distance from inhabited areas. During the project implementa-

tion, materials and raw materials are transported mainly with use of existing road lanes. Trunks and roots of trees are protected from mechanical damage caused by heavy equipment. Animal and plant habitats are fenced off, while water reservoirs are protected against potential contamination with chemical substances.

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

A popular operation is the transfer of plants from the construction site to a new site of the same requirements and qualities (so-called metaplantation). If it is necessary to backfill a small water reservoir, the amphibians, reptiles and birds that live in it are also transferred to a safe location. In 2020 a total of 1470 amphibians of the following species were relocated: green frog, moor frog, grass frog, common toad, green toad, common newt, great crested newt, fire-bellied toad, and 7 reptiles of the following species: viviparous lizard, sand lizard and grass snake. Two anthills were also moved.



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

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

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

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

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

The kits are stored in marked places and the workers are informed about those places. In accordance with the precautionary principle, any potential contamination is treated as environmentally hazardous until its type and source are determined. Another requirement is to manage the generated waste, keep its records and collect it.



103-1
103-2
103-3
307-1
308-1
308-2

Nature conservation in the supply chain

In the “**Contractor’s Code**”, the Budimex Group obliges its subcontractors to respect legal norms and environmental decisions. The requirements are included in an annex to agreements – “Environmental Protection Requirements.” Every subcontractor must respond to emergencies and environmental incidents according to the system and standards of the Group.

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

The Environmental Protection Team, which carries out inspections and audits on the executed contracts, is responsible for ensuring that the environmental protection rules are followed. **In 2020 there were no environmental incidents or accidents that would cause environmental damage. No fines or others sanctions were imposed on the Budimex Group due to the violation of environmental regulations in that period.** The Voivodeship Environmental Protection Inspectors conducted 5 inspections, none of which resulted in a fine or proceedings against Budimex S.A.

820 suppliers were subjected to pre-qualification and 694 final evaluations were made in 2020. Irregularities related to the environmental protection were found only in four cases.

Reasonable use of resources and environmental protection



103-1 103-2 103-3 Climate change, fuel and energy consumption

The activity of the Budimex Group has a significant impact on the climate. The Group is aware of that and makes efforts to minimise the negative impact. The risks and opportunities in connection with the necessary transition of Poland and all of Europe to a low-carbon economy are also of great importance in the context of the climate crisis.

As part of the „Budimex CSR Strategy for 2021-2023” measures were defined to reduce the Group’s negative impact on climate, mainly by contributing to reducing greenhouse gas emissions, as well as to help to adapt the business model to climate changes.

The company undertook to:



develop in 2021 and implement in 2022 a policy related to climate change mitigation and a policy to adapt the Group to climate change



develop in 2021 the company’s business model and strategy analysis, taking into account various climate change scenarios



define and develop in 2021 a matrix of risks and opportunities in connection with climate change



set in 2021 the objectives in relation to reducing CO₂ emissions for 2021-2023,



increase the share of energy from renewable sources to 50% in 2023



implement and promote low emission technologies (use of asphalt technology with asphalt granulate)

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

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

The ongoing energy consumption related to works (and therefore the emission level) is closely connected with project construction stages of a given investment and results e.g. from the demand for transport, operation of machines or production of bituminous mass, for example. Due to a relatively long contract performance cycle (much more than one year), comparing energy demand and energy consumption on an annual basis is sometimes rather unreliable. Positive or negative changes in effects may result from the current state of implementation of the contract portfolio, instead of changes in the operating model. They occur, though, as the Budimex Group takes actions aimed exactly at permanent reduction of energy consumption and emissivity, e.g. through successive replacement of equipment. Educational activities aimed at employees are also undertaken, which translate into lower consumption of electricity and fuel.

Since 2019, the Budimex Group's car fleet has also included electric vehicles.

Detailed data on fuel consumption and CO₂ emissions are available [HERE](#). The methodology for monitoring and calculating them is as follows: fuel and energy costs are monitored in internal company registers. Their consumption is based on their average prices. The fuel consumption was converted into energy expressed in GJ using the calorific values published in the document KOBIZE (National Centre for Emissions Management) 2019 calorific values (CV) and CO₂ emission rates (ER) to be reported under the Emissions Trading System for 2020.

Emission calculations were prepared in accordance with the following standards: "The Greenhouse Gas Protocol. A Corporate Accounting and Reporting Standard Revised Edition" and "GHG Protocol Scope 2 Guidance". Greenhouse gases identified and included in the calculations are O₂, CH₄ and N₂O, expressed as a CO₂ equivalent. No biogenic greenhouse gas emissions were identified. The main sources of emission indicators were publications issued by KOBIZE the Energy Regulatory Office and indicators published by electricity sellers. The financial control criterion was adopted for the consolidation of the Group's emissions, which means that 100% of the companies' emissions were assigned to the Group. The emission from the consumed electricity was calculated according to the location-based method, using the average emission rate for Poland. On the other hand, at the Budimex Group it 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 kgCO₂e/kWh was assumed for energy from RES confirmed by the Guarantees of Origin.

Total energy consumption	UM	Grupa Budimex			Budimex S.A.		
		2018	2019	2020	2018	2019	2020
łącznie	GJ	1,084,275.07	954,131.48	960,062.73	1,040,642.61	891,436.57	804,845.97
	Toe (tonnes of oil equivalent)	25,897.47	22,891.41	22,930.70	24,855.32	21,291.60	19,223.42

CO ₂ emission	UM	Mostostal Kraków S.A.		Budimex Nieruchomości Sp. z o.o.			FBSerwis S.A.*		Budimex S.A.**			
		2018	2019	2020	2018	2019	2020	2019	2020	2018	2019	2020
direct emission (scope 1)	tonnes	1,481.60	1,348.45	1,235.98	599.38	1,108.83	no data	6,754.82	8,145.70	76,474.80	64,041.40	56,164.43
indirect emission (scope 2)	tonnes	1,570.91	1,322.76	2,010.43	775.80	1,226.18	no data	2,995.10	3,186.59	19,330.69	14,958.57	10,685.64
total:	tonnes	3,052.51	2,671.21	3,246.41	1,375.18	2,335.01	no data	9,749.92	11,332.30	95,805.49	78,999.97	66,850.08

* Data for 2019 concerning the FBSerwis Group are estimates for the beginning of February 2020 and were not verified by an independent auditor.

** Emissions for 2020 calculated using the market-based method, i.e. the specific emission indicators were assumed for known energy suppliers. For other entities and years, the Budimex Group assumed average rates for Poland.



103-1 103-2 103-3 Finished and raw materials

The raw materials and materials most frequently used during the works conducted by the Budimex Group include plain and modified road asphalt, cement, concrete, steel, hydraulic binders, lime dust, asphalt aggregate (including sand and grit), construction aggregate (sand, gravel), road aggregate (sand, grit, etc.), hydro-technical stone and rail-way breakstone. The following materials are potentially re-processed:

slag, rock winning, cement, crushed-stone aggregate for a bituminous mass, crushed-stone aggregate mixes, concrete, steel, wood. Effective (in terms of environmental protection and economy) management of demand for materials and raw materials and their recycling is possible through the VE (value engineering) monitoring system.



In order to optimise the transport of materials and thus minimise carbon footprint of the entire project, the Group has a network of its own bituminous mass factories, which, if necessary, may be relocated within five-six weeks.

More detailed information on the consumption of raw materials and materials can be found [HERE](#).



103-1 103-2 103-3 Waste management

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 governed by the **Waste Management Plan** contained in the BIOZ Plan.

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

A different type of waste is generated at each construction stage. Bricks and concrete waste are produced at the initial stage of demolition of facilities, on the site where a new project is to be established, while old asphalt or track ballast is produced after the road and track removal.

The most commonly generated waste types include soil and rubble, rocks and waste from renovation and disassembly of construction facilities and road infrastructure. Many of them can be re-used at subsequent stages of works. Removed soil is a valuable raw material that may be applied for finishing works. Shrubs and branches from felling, which often cannot be avoided, can be used as biomass fuel or horticultural material after being ground into small pieces (so-called chipping).

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

More detailed information on generated waste can be found [HERE](#).

Society and workers



103-1 103-2 103-3 403-1 403-2 403-3 403-4

Conditions, occupational health and safety (OHS) Introduction

Care for the health and safety of all employees is the core value for Budimex. Therefore, the operations in the field of safety improvement on construction sites include everyone: its employees, contractors, consortium members, suppliers, and individuals involved in the project implementation.

2019 was the last year in which the standard **PN-N-18001** was applicable in the company, focusing mainly on safety management in a given organisation. Last year, Budimex obtained a certificate of compliance with the European **standard ISO 45001** which assumes the commitment of all entities involved in the implementation of construction projects, such as subcontractors or suppliers. This commitment model has been implemented and developed in the organisation for many years. Mostostal Kraków S.A. has an OHS system certified in accordance with **ISO 45001**. FBSerwis S.A. and Budimex Nieruchomości Sp. z o.o. do not have any certified OHS management systems. The Budimex Group, apart from management systems, applies the so-called “**Ferrovial OHS Standards**”, the main purpose of which is the organisation of the construction process that takes into account the principle that everyone, regardless of whether they are an employee of the Group companies or their business partner, should return to their family and relatives after the end of work, “so nothing should stop us from respecting the safety rules for which we always have to find time”.

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

- ensuring safe and hygienic working conditions to effectively prevent accidents, near misses and occupational diseases among employees and subcontractors,
- ensuring the context of organisation that is relevant to the scope of operations, including all interested parties and associated risks and opportunities,
- ensuring the supervision and reduction of OHS risks in accordance with the principle of supervision hierarchy,
- monitoring and strictly adhering to applicable legal and other provisions in the field of OHS,

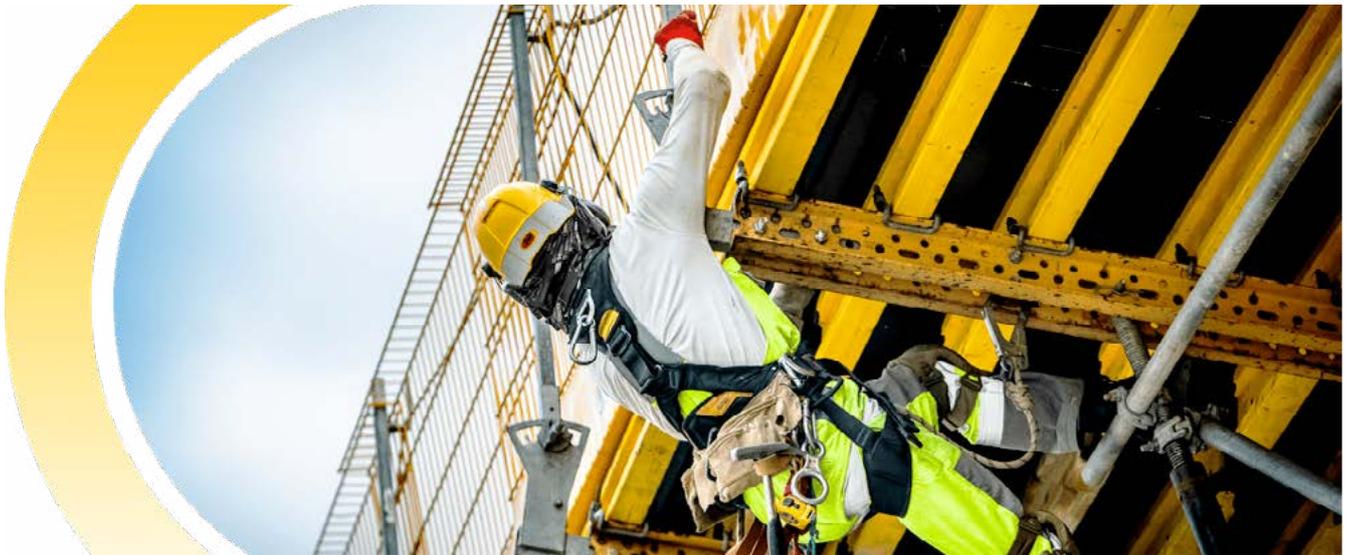
- ensuring appropriate training for employees of the Group companies to continuously increase their commitment and awareness for improvement of working conditions and building leadership within the organisation,
- creating for all employees and their representatives the conditions for consultations and participation in creating common safety by supporting initiatives to improve the OHS processes,
- continuously improving the OHS management system through the exchange of best available practices.

In companies of the Group, OHS Committees operate with participation of representatives of employees and the employer to represent all employees. Their task is to carry out weekly OHS checks on all contracts. Information from inspections and recommendations are stored in one place, providing with easy access and monitoring, if necessary.

In late 2019 and early 2020, in addition to the OHS Committee, the OHS Executive Committee was established at the initiative of Branch Directors. Meetings are held every 2 months and are aimed at sharing knowledge and experience between divisions and planning actions at operational and strategic level regarding OHS.

Employees at various levels of the organisation are involved in monitoring safety. The OHS staff conduct health and safety inspections of projects and at the headquarters; the correctness of the safety system operation is monitored through system audits carried out by a team of internal auditors. Compliance of work organisation regarding projects is verified through SOB audits. Since 2019, a group of management staff of Budimex S.A. has been conducting Senior Management Visits to build the culture of safety at all levels of the organisation.

More detailed information on the number of employees covered by the OHS management system can be found [HERE](#).



403-5 OHS training and prevention

403-7

Apart from obligatory activities within the training system, which are divided into obligatory and systemic OHS procedures, the Budimex Group also conducts a number of additional activities.

Training takes place more often than it is required by law. The programme is with the cooperation and co-creation of the employees and is also assessed by them. In 2020, activities related to education, training and developing health and safety awareness were carried out almost without obstacles, despite the COVID-19 epidemic, and consequently the suspension of periodic OHS training resulting from the introduced regulation. The “Temporary OHS Training Instruction” was implemented in the Budimex Group, and the training formula was remodelled and implemented online for employees with access to a computer. Physical workers received materials for self-education. As part of periodic training conducted by their immediate supervisors, they could continue to refresh their knowledge of the most important OHS risks and regulations related to the tasks they perform. Numerous campaigns were also carried out – both in the intranet (articles) and using standard communication tools (posters and leaflets located in offices and on construction sites) on OHS standards applicable in Budimex.

In October, together with 12 signatories of the Construction Safety Agreement, the company organised an annual Safety Day. Employees were able to take part in webinars and use toolboxes dedicated to the organisation and planning of works in view of the risks associated with the biggest health and safety risks on the projects. The vast majority of the buildings were trained in first aid, fire protection, hazardous areas of machine operation, as well as a number of other activities, in which employees of the Budimex Group, subcontractors, investors and the National Labour Inspectorate were invited to participate. Educational presentations regarding safe driving were also held for the first time. A total of 2210 Budimex employees and 3290 employees of business partners participated in the “Safety Week”.

As part of the “Engineer Academy”, in the fourth quarter of 2020, online training for young construction engineers was held, presenting the most important aspects of safety management at the level of construction design, cooperation with subcontractors in this scope and practical application of this knowledge, e.g. work at heights, which occur on many projects implemented by the Budimex Group.

At the end of the year, in order to prepare employees to become contract managers to take up this position, the company organised webinars for them to build a culture of safety and leadership in the area of security and new responsibilities related to the implementation of

security strategies at the level of the team that they will manage in the future.

In 2020, the „Stand Down” awareness campaign was also carried out for employees of construction sites and subcontractors, the aim of which was to strengthen caution towards all potentially fatal incidents and to respond to any noticed irregularities or dangerous behaviours on projects.

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

In the Budimex Group, every accident is described according to the Polish statutory classification and in compliance with the procedures and classification adopted by the strategic investor – Ferrovial Group, which facilitates a more thorough post-accident statistics analysis (among others, there are differences in the accident assessment process and in the definition of serious accidents). Internal self-regulations of the Group are more restrictive than the laws regarding accidents. The accident analysis allows to precisely define what specific actions constitute the source of hazards, what kind of behaviour should be avoided and what kind of behaviour should be recommended.

In 2020, the „Stand Down” awareness campaign was also carried out for employees of construction sites and subcontractors, the aim of which was to strengthen caution towards all potentially fatal incidents and to respond to any noticed irregularities or dangerous behaviours on projects.

Employees’ exposure to hazards depends on the nature of the works performed. As far as construction activities are concerned, hazards are related e.g. to the risk of falling from height or injury in contact with construction machinery. With regard to Mostostal Kraków S.A. hazards are connected with the use of band saws and other machines with moving parts for steel structure processing, transport of structures with use of overhead cranes, and their loading and unloading.

The FBSerwis S.A. employees, on the other hand, who perform road and motorway maintenance, are exposed, for example to being run over by vehicles in road traffic. Waste management involves risks related

to biological agents (e.g. pricks, cuts with contaminated waste elements) and the risk of collision with machinery and vehicles on and outside the premises of the disposal facility.

All accidents, regardless of their effect, are treated in the Budimex Group very seriously. Every major incident is communicated throughout the organization with alerts. Every year all the incidents that happened in our organisation are investigated. In 2020, EIR meetings (Executive Incident Review) were held every two weeks, attended by the management and supervisory staff responsible for planning and organising work on projects. The aim of the project was to share experiences, promote preventive and corrective actions. During the meetings, analyses of accidents and potentially fatal near-miss incidents were presented.

In 2020 two fatal accidents among the employees and subcontractors of the Budimex Group were recorded. In January last year, an accident during works on a railway line led to a fatality on the spot. To avoid such situations in the future, a corrective and preventive action plan was prepared and introduced:

- the obligation for each crew performing work near the tracks to have a radiotelephone for communication with the dispatcher;
- changes in the procedure regarding the closing of tracks for the duration of works;
- an absolute ban on organising material storage yards, warehouses, back-up facilities, parking places for cars and machinery at a distance of less than 2 metres from the outer rail;
- development and implementation of the Railway Standard at the Budimex Group.

The second accident of an employee falling from the height of approx. 1.80 m to the concrete foundation took place in September 2020.

As a result of this event, corrective and preventive actions were implemented, including training for people from direct supervision from the Budimex Group and subcontractors dedicated to the assembly of formwork and organisation of works at height. Monitoring and enforcement activities were also introduced, which included the assembly or use of the existing monitoring in selected facilities, in justified places, enabling the control of the application of safety rules and the reminder that all employees of the Budimex Group and subcontractors are absolutely obliged to properly use personal protective equipment (e.g. helmets with a chin belt properly fastened).

More detailed information on the number of accidents at work and occupational diseases recorded can be found [HERE](#).



103-1 Working environment and concentration on growth

103-2
103-3

Introduction

The companies of the Budimex Group have a common procedure that regulates all key aspects of HR management, such as recruitment, rules on employment, remuneration and employee benefits, employee relocation, rules of periodic assessment, rules of development and training, ethical issues, anti-mobbing and anti-discrimination measures. This allows us to limit the risk to which the Budimex Group is exposed, and which results from the lack of appropriately qualified employees. Risk understood as both limited possibilities of recruiting properly qualified people and quitting employees and the related loss of competence by the Group.

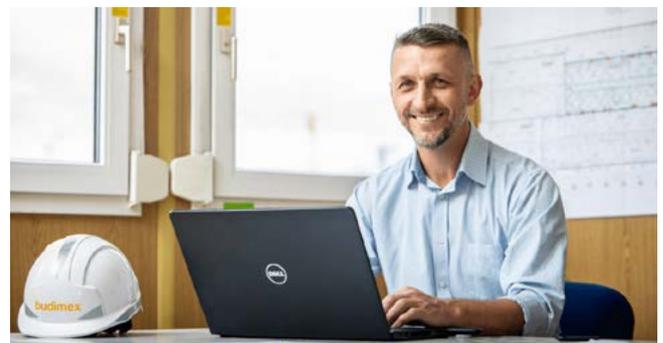
The Budimex Group strives to acquire employees with the greatest potential and encourage them to establish a long-term relationship with the organisation and to develop within it. This approach allows us to build competence and protect the company against its loss. This is why internal recruitment is preferred, holding out the prospect for long-term growth of their career. At the same time, in order to increase the pool of candidates, the company runs the “I know, I recommend” programme aimed at increasing the effectiveness of recruiting new employees by recommending candidates by already employed people who receive a cash award in the event of recruiting a person indicated by it. Its amount depends on the type of job for which the referred candidate is to be hired. Moreover, the company organises the first programme of external recommendations in the construction industry entitled “I recommend Budimex”, which will enable people from outside the company to gain an opportunity to recommend employees.

The introduction of new employees starts with participation in the „Welcome to the Group” training. On the first working day, employees are provided with an organizational guide where they can find the most important information, answers to the most frequently asked questions and other valuable tips to facilitate career start within the Group. In 2020 all traditional training modules were adjusted to the online form and planned over a few days. For fresh members of the organisation, an internal chat bot was also launched, which served as a virtual assistant that answered their questions related to staff and payroll issues.

Employees are subject to periodic assessment with regard to the implementation status of individual tasks and the style of work consisting of competences forming the Competence Model. The obtained results are used to determine the effectiveness of their work, development needs and identification of people with high potential who may be promoted

in the future. The Budimex Group defines overall development and training needs based on its strategy, results of periodic employee evaluation, results of the “Management Staff Review” and reports submitted by business units.

The Budimex Group, in order to encourage the most talented graduates to work in its structures, offers them both attractive benefits and enables their personal development. Experts employed in the company within the “Budimex Academy” programme meet students of technical universities and share their unique know-how. In 2020 we provided knowledge online through special webinars, interviews and meetings with employees, technical training and soft skills training. In Budimex, nearly 300 students of various specialisations practise paid internships every year, who, in addition to gaining valuable experience, also have provided medical care and participation in additional training. Students interested in development in railway construction can obtain an annual scholarship.



We know that the atmosphere at work has a significant impact on the daily experience of employees and their motivation. Therefore, regular commitment surveys are conducted in the Budimex Group in the form of anonymous surveys. Their results make it possible to get to know employees’ opinions, identify areas for improvement and implement improvements in the organisation



401-2 Social package

Budimex cares for the health, development and comfort of its employees, offering them a friendly workplace and an extensive package of fringe benefits. Under the „Budimex and You” programme, activities are undertaken to build an engaging working environment

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

Budimex offers the following benefits to its employees:

- extra payments to the Employee Capital Plans (PPK) – the Budimex Group companies have agreed for additional voluntary contributions to monthly premiums, which mean higher pensions for employees in the future,
- large package of medical services regardless of the position occupied by the employee,
- vaccinations at work,
- wide selection of services in the MyBenefit programme, thanks to which every employee may decide on its own on the allocation of its funds from the Company Social Benefit Fund,
- finance for sports activities as part of the “Aktywni BX” initiative (sports sections) and the possibility of using sports facilities with the MultiSport card,
- life insurance and the possibility of insurance extension by additional risk categories (apart from the risks for which insurance is paid by the employer),
- additional, payable day off on one’s birthday 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 of obtaining professional qualifications.



In principle, blue-collar workers are employed under a contract of employment. Moreover, if they work away from their place of residence, they may expect free accommodation. All blue-collar workers, regardless of whether they are seconded or they work in their place of residence, have a free lunch every day.

Budimex S.A. is the first company in the Ferrovia Group and one of the first companies in Poland to implement the Human Resources Information System (HRIS) created by Oracle. In 2020 this solution was used mainly for the processes of “soft” HR, such as periodical evaluation, goal setting, training and development. The processes related to recruitment, succession planning and support for the area of wages and benefits will also be included in the future. In this way, Budimex provides employees and superiors with flexible self-service, in accordance with the latest global practices. HRIS will cover nearly 6,000 employees in 5 companies of 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 greatest implementations of cloud solutions in Poland. The HRIS will support carrying out HR activities by allowing the employees to access the system via computers, tablets or telephones.



103-1
103-2
103-3
404-2

Development and training

The training rules are regulated internally, while results of an employee's periodic evaluation are crucial. They are the starting point for setting individual development goals, based on which the Development and Training Department plans training activities.

70:20:10

Developmental activities are carried out according to the 70:20:10 model, where 70% is a development through practical implementation of tasks, 20% is support from others (e.g. superior, coaching, mentoring, etc.), 10% is training.

While speaking about training activities, it must be noted that some trainers are the company's employees (internal trainers). They are people who deal every day with the issues within the scope of which they conduct training. Thanks to this, the training offer corresponds not only to development needs, but above all it perfectly matches the specific nature of the company's operations, and additionally builds and promotes a culture of knowledge sharing in Budimex.

The most important development programmes include:

- **“Young Engineer Academy”**, which is addressed to newly employed engineer trainees and construction engineers. It is aimed at their smooth implementation into the organisation. The programme also standardises key competences required from engineers and allows them to operate more effectively in accordance with the rules applicable in Budimex. It is carried out in three thematic blocks: personal effectiveness, professional effectiveness and construction site safety.
- **“Engineer Academy”** is a series of training courses conducted by internal experts in a given field, implemented in the organisation for the staff employed under contract. Their participants can expand and update their technical knowledge and exchange good practices with other participants. Some topics are carried out in a classic form (work in common office space) but there are also subjects that are largely taught on the construction site. Due to the COVID-19 pandemic, trainings at Engineer's Academy were conducted remotely in 2020.
- **“Contract Manager Academy”** supports newly appointed Contract Managers and people in preparation for promotion to this position in the acquisition of substantive competences and practical skills in connection with contract management. It enables them to consolidate and expand their knowledge. The programme is divided into three stages: internal workshops deepening substantive

knowledge, external workshops focusing on development of soft competences, and individual support of participants as needed.

A significant aspect of the training activities are special programmes supporting the professional development of women, which are supported by the project: “Guaranteed Success”, whose aim is to increase the number of women-managers in construction, as well as to support them in the development of leadership and soft skills. Women who qualify for the programme participate in an annual cycle of workshops and meetings. Appropriate breaks are planned between all meetings so that each project participant can implement the knowledge gained during the training in their daily work.

Programmes aimed at developing leadership skills are also very important:

- **“Super Leader”** programme is aimed at developing leadership competencies among senior managers through strengthening the skills of strategy communication, development of subordinate teams and involvement of employees to achieve common goals. It consists of three modules, each of which presents a different leadership style (leadership styles selected after diagnosis). Within them, participants will improve their skills during workshops, take part in coaching sessions and perform a number of implementation tasks. Each participant also receives a set of materials to work on the development of the particular leadership style.
- **“Managerial Stairs”**, i.e. the path of developing managerial skills from the beginner manager to the top management, taking into account the level of position held, previous experience and competences necessary for effective management at particular career levels. The programme consists of four stages which gradually expand the knowledge already held by the participant.
- **“Manager's Toolbox”** is a series of obligatory training sessions addressed to employees in the production area. Their participants

develop their skills to evaluate tasks and provide feedback, learn about employee development planning, practise presentations before the camera and conduct effective business meetings, and deepen their knowledge in the field of labour law. The training programme depends on the scope and type of responsibilities of the participants and their place in the organisation.

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

- **“Communication Path”** is divided into several main stages (effective communication, business presentations, persuasion and influencing, building authority, building relations within the organisation and with external clients, coping with conflict and claims), which take into account subsequent advancement levels of acquired skills and knowledge. Each stage contains several proposals for training topics, thus allowing for comprehensive development tailored to the individual needs.
- **“Negotiation Path”** is a programme for the development of negotiation competencies designed to systematically expand the knowledge acquired by the participants, to teach the use of increasingly advanced tools and to test newly acquired skills in safe conditions. The negotiation path consists of three stages: “Basics of Negotiations,” “Negotiation Tools” and “Expert Negotiator” (at this stage the participant has the opportunity to face a sparring partner). The training focuses on the best business practices and the attitude to building long-term relations with external partners, as well as strengthening the image of Budimex as a reliable business partner.
- **“Individual Extended DISC Analysis”** is a test which enables getting to know one’s natural potential, predispositions and talents. This is a self-reflection tool – the employee self evaluates how they behave in a particular situation. The main areas of analysis include behaviours and communication styles manifested in the professional area. Following the test, the employee participates in the webinar to become familiar with the Extended DISC model, to communicate the characteristics of the four main styles and prepare to work on their own with individual reports. Then they may continue the development of social competencies included in the Communication Path training. Fourteen such webinars for nearly 300 people were carried out in 2020.
- **“Feedback Culture”** is a project aimed at strengthening openness and trust in cooperation by promoting the idea of feedback in the organisation. It involves various forms of expanding knowledge and skills, such as online workshops in the form of training and inspiring activities. The training is divided into three stages: two workshop sessions, 3.5 hours each, and one session lasting 2 hours – behavioural training with an actor. Additionally, the “knowledge pills” are used in the form of one-pagers, leaflets and short educational films posted on the Intranet, as well as webinars.
- **“Stay Strong”** is training of strength and psychological resistance in the form of webinars with the participation of experts. They are aimed at encouraging employees to take care of their mental well-being and equipping them with practical skills of building mental resilience for situations of increased stress (mainly related to the COVID-19 pandemic). During meetings with experts in the online formula, issues such as ways of increasing their vital energy and mental well-being, methods of regeneration in situations of overload and

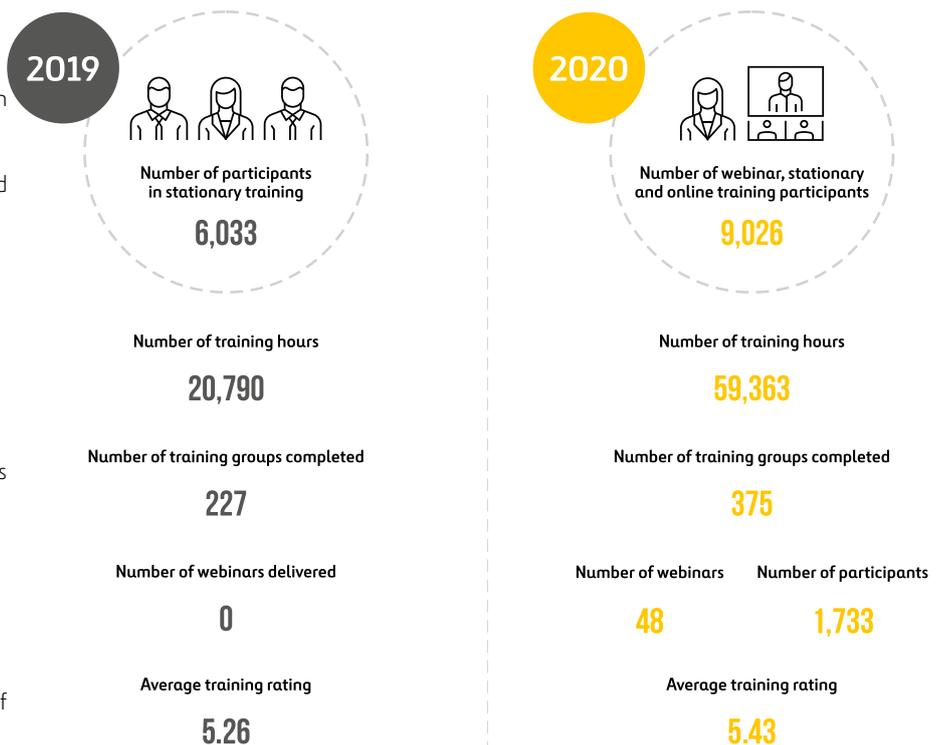
maintaining mental resilience are discussed, such as time management that allows for maintaining work-life balance, e.g. during remote work. More than 300 employees participated in the webinars in 2020.

Employees can participate in individual English courses co-funded by Budimex. The offer is addressed to those who actively use the English language in their everyday work. Employees have access to the eTutor English learning platform, which offers English lessons at levels from A1 to C2. The platform uses unique solutions and features such as: multimedia exercises, innovative system of revisions, artificial intelligence for pronunciation, an algorithm verifying the correctness of written tasks, language games and embedded DK1 dictionary. Each participant may additionally invite one relative to learn free of charge.

Specialist courses are also conducted as part of the training catalogue: The analysis of accidents and near misses that took place in Budimex projects led to the identification of areas that require urgent supplementation of knowledge. One of them was the rules of safe vertical transport. From October 2019 to March 2020 over 800 people were trained in that respect (blue-collar workers and technical supervision staff), with particular emphasis on separating the functions of rigger and signalman, as well as communication between the crane operators and the signalman. The training was divided into theoretical and practical parts.

The company also conducted specialist trainings, the specificity of which resulted from the characteristics of its activities. Examples include training addressed to employees of the Railway Construction Department entitled “Railway Traffic Control” or “Training for Employees Supervising Works on Railway Contracts,” which include the discussion of rules and procedures for safe execution of works on railway contracts, including works on active railway tracks.

The performance of works on contracts is closely connected with waste management. Therefore, Budimex organised a series of training sessions in 2020 “Waste management in the construction industry”, in which 192 people participated. They became familiar with the current legal requirements for construction waste to be met by general contractors. The participants also received a script with answers to questions related to the interpretation of regulations, prepared on the basis of specific situations which the company was dealing with during the performed contracts.





103-1
103-2
103-3

Diversity management

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, diversity and ensure a 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 values in diversity in the workplace. Another document is the “Code of Ethics”, which implements the assumptions of the indicated policies and prevents discrimination in the field of employment.

Budimex implemented the “Diversity Policy”, which refers to equal treatment due to gender, age, disability, health, nationality, political beliefs, form, scope and basis of employment, as well as committed to creating an atmosphere and organisational culture that ensures respect for all forms of diversity. The document deals also with recruitment, access to training courses and promotions, remuneration, combining

professional duties with personal life, protection against mobbing and unfair dismissal. Budimex SA also breaks barriers connected with health state of its employees by hiring disabled people. In order to manage the Policy efficiently, the so-called anti-discriminatory and anti-mobbing monitoring was introduced, as well as a system of educational tools, training and workshops. The results of carrying out this Policy are reported to the Management Board every year.

Detailed indicators related to diversity management are available [HERE](#).

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, prevention of any discrimination in the workplace and taking measures to create conditions conducive to diversity. It expresses the readiness of an organisation to engage all its stakeholder groups in actions to protect and promote diversity

Diversity-related issues are also an element of the „Budimex CSR Strategy for 2021–2023”, which defines”, the following objectives to be implemented in this area:





Social activities and relationships with communities

Introduction

103-1
103-2
103-3
413-1
413-2

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.

Construction of road and railway infrastructure in the long term is one of the conditions for the social and economic development of the country and, as a result, improves the quality of life of a given community. However, at the stage of works, it involves specific nuisances, especially for inhabitants of areas adjacent to the construction site (e.g. increased traffic and noise resulting from the transport of construction materials or machine operation). Each potential aspect of the environmental

impact of the project is already analysed at the stage of issuing administrative decisions and inhabitants' representatives take part in public consultation. The Budimex Group conducts also non-obligatory, additional public consultation in the course of designing e.g. bypass routes, road closures. It provides inhabitants with feedback channels through a contact form available on www.budimex.pl and corporate social media profiles. In this way, on the one hand, it reduces the risk of phenomena that may negatively affect the neighbours of the implemented undertakings, and on the other hand it leads to delays and downtimes in projects, which result from protests of residents, blocking the works by them or extending administrative procedures.

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

The Budimex Group also runs:



social programmes



supports important cultural and sporting events



takes part in a number of initiatives

The documents that regulate this area of its activity are the "Acceptance Instructions for Sponsorship Projects, Patronage and Donations" and the "Cooperation Policy with Local Communities". The document indicates specific actions to be taken both before the commencement of construction works (the emphasis is on conducting a dialogue with the local community on a given project in order to address its potential concerns) and during the term of the contract (construction of relations

with the social environment of the project)..

The aspects related to the social impact specific to the activities of the Budimex Group are defined in more detail in the „CSR Strategy for 2016-2020” and in the „CSR Strategy for 2021-2023” effective from 1 January 2021.



„Parent Zone. Budimex for Children”

Since 2012, Budimex S.A. has been running the “Parent Zone. Budimex for Children” programme, which consists in organising special spots in hospital children’s wards, where small patients and their parents can spend their time in a friendly environment and feel just like at home, so that they can at least for a moment forget about the difficulties of illness and treatment.

One of the most important aspects of the undertaking is the personal involvement of the employees, who, as volunteers, participate in furnishing renovated premises – they help with the assembly and placement of furniture, and perform minor finishing works.



By 2020, the company had launched 34 Parent Zones, which are already used by nearly 700,000 children and their carers.



More information about the programme: www.strefarodzica.budimex.pl



„Hello ICE”

„Hello ICE” is another original social project by Budimex implemented since 2019, whose objectives are to improve the knowledge of children from kindergartens and primary schools (grade 1–3) about safety on the way to and from school, the rules and methods of first aid and to minimise the risk on roads around schools. The programme was held under the honorary auspices of the Minister of Infrastructure and the Minister of National Education, and it received a positive opinion from Stowarzyszenie Dobra Edukacja.



A key part of the undertaking is an interactive map which anyone can use to mark dangerous places that students have to cross on their way to school, (450 such places have already been submitted through it).

The programme website includes educational materials for teachers, children and parents. In addition, children are equipped with plastic cards that provide contact details in the event of an accident.

One of the consequences of the pandemic threat was that in 2020 some of the activity was transferred to the Internet. However, while maintaining safety standards, outdoor activities were also carried out to welcome Budi the tiger (programme mascot) by the children during the launch of school year 2020/2021 and to meet him on the occasion of the World Reflection Day. Last year, in order to increase the safety of children in pedestrian traffic, 3D pedestrian lanes were painted in four locations (Bartoszyce, Lesznowola, Sanok, Miechów).



More information about the programme: www.helloice.pl



„Grant for Volunteering”

Since 2015, Budimex has run the “Grant for Volunteering” employee volunteering programme. Employees can apply for funding for their initiatives throughout the year. These are considered at the quarterly

CSR Committee meetings. The majority of the projects reported and implemented by the company’s employees involve mainly renovation and construction works.



In 2020, Budimex awarded grants worth over PLN 100,000. Over PLN 40,000 of this amount was allocated to projects submitted for a special edition of „Volunteering in the fight against COVID-19” where employees helped the centres and people affected by the pandemic.





Charity and sponsorship activities

Besides social programmes, Budimex engages in charity or sponsorship activities, concentrating above all on providing aid to children and cooperating with non-governmental organisations.

In 2020, the implementation of socio-cultural and educational projects was continued through the promotion of the following initiatives:



The “Diamond Explorers” scholarship programme

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 creates facilities for educational, therapeutic and sports activities, as well as runs scholarship programmes and workshops for youth leaders



SOS Children’s Villages Initiatives

in the Świętokrzyskie Voivodeship, the company also funded 5,000 packages for children from educational centres in Łódź,



a fundraiser held by the Foundation for Transplantation

under the slogan “12 hours for life” for the purchase of a device that extends the life of the transplanted heart four times (from 3 to 12 hours) during transport from donor to recipient. FBSerwis was also involved in the initiative,



volunteer fire service

in Masuria, Subcarpathia and Łódź Voivodeship



sports events and teams

(Polish Championship of Disabled Sailors, Stomil Olsztyn football club),

Budimex Nieruchomości supported, among others, the primary school in Gdańsk (funds for the purchase of sports clothes and computers), the Wybrzeże Gdańsk Handball Association (clothes for the junior team), the Bo Warto Foundation (ordering Christmas cards) and St. Christopher’s Hospice in Warsaw, as well as the Polish Association of Duplicate Bridge. The company also participated in the Developers for Children’s campaign in Poznań, thanks to which aid was provided for 8 orphanages.

In addition, in 2020 FBSerwis organised the third edition of the environmental competition “Let’s be ECO for Wrocław.” The initiative promotes ecological attitudes among children and youth in Wrocław elementary schools. Nearly 100 works were submitted for the competition, and almost 207 thousand votes were cast in the online voting.

In 2020 social and sports organizations received support from the Budimex Group in the form of donations in the total amount of PLN 2.06 million.



103-1
103-2
103-3

Respect for human rights

The Budimex Group pays particular attention to the potential risks associated with improper treatment of employees, e.g. activities characterised by discrimination based on sex or nationality. Recent changes on the labour market, resulting in an increased participation of foreign workers, may potentially pose the risk of unequal treatment of foreigners or even of xenophobic behaviours. The Group also ensures full freedom of Inter-Enterprise Trade Union Organisation “Solidarity” and the Trade Union “Budowlani”. The Group also has a Corporate Collective Labour Agreement.

Document named “Principles of the Company’s Responsibility Policy” obligates all employees of the Budimex Group, among others, to respect basic human rights. In turn, the “Principles for the Protection of Human Rights”, the addressees of which are the employees of the Group, its customers, suppliers and contractors, talk about respecting the provisions of the “Declaration of Fundamental Principles and Rights at Work” of the International Labour Organisation. They bind to non-discriminatory conduct, promoting equal opportunities and valuing diversity, as well as complying with the prohibition of child labour and forced labour, with provision of the freedom of association and the right to collective bargaining. With regard to customers and local communities, the Budimex Group does not allow any form of discrimination and undertakes to provide information on its activities in a fast, transparent and secure manner.

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



cooperation with government administration and non-governmental organisations,



completion of social projects



implementation of appropriate procedures



rejection of any type of discrimination and creation of an atmosphere of mutual respect

The obligation to respect human rights applies also to suppliers and contractors. Human rights are included in the Contractor’s Code, which they are obliged to sign prior to the commencement of cooperation with the Budimex Group. Compliance with human rights is monitored during audits.

In October 2020, a guide “Forced Labour. „Forced Labour. Guidance: how to identify and counteract it”, was published, in the preparation of which Budimex also participated. Its purpose is to support companies in

The Budimex Group undertakes to comply both with the regulations and respect the culture, customs and members of the communities in which it operates. It also seeks to promote human rights, maintain an open dialogue with its stakeholders and engages with local communities. The Group has defined procedures for evaluation and selection of suppliers and contractors aimed at the assurance of respect for human rights at each stage of the supply chain. The principles also provide for the performance of due diligence in the field of human rights.

These aspects were also taken into account in the „CSR Strategy for 2016–2020”, in which the significant objective was the “Elimination of the risk of unethical behaviours” (individual business areas and objectives were assigned indicators and measurable target values). Those aspects are also included in the „CSR Strategy for 2021–2023”.

The Code of Ethics and the Compliance Policy constitute the documents that ensure the protection of human rights at operational level in everyday work. Therefore, the matters of human rights violations are governed by the same procedures that define the manner of conduct in the event of corruption prevention (see: „Ethical standards”).

effective counteracting the risk of forced labour in their supply chains or the consequences of cooperating with dishonest temporary employment agencies and subcontractors.

2019 2020

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

Management



102-18
102-22
102-23

Management culture Management governance

As of 31 December 2020, the Management Board of Budimex S.A. included:

- Dariusz Jacek Blocher, President of the Management Board, General Manager,
- Artur Popko, Vice-President of the Management Board, Chief Operating Officer,
- Cezary Mączka, Member of the Management Board, Chief HR Officer,
- Jacek Daniewski, Member of the Management Board, Chief Legal and Organisational Officer,
- Marcin Węglowski, Member of the Management Board, Director for Financial and Economic Affairs.

In 2020, the composition of the Management Board remained unchanged.

In 2020, no significant changes regarding powers of attorney granted by the Management Board took place.

Composition of the Supervisory Board and its committees

As at 31 December 2020, the Supervisory Board of Budimex S.A. was composed of:

- Marek Michałowski, Chairman of the Board,
- Juan Ignacio Gaston Najarro, Vice-Chairman of the Board,
- Igor Adam Chalupec, Secretary of the Board,
- Danuta Dąbrowska, Member of the Supervisory Board,
- Agnieszka Słomka-Gotębiowska, Member of the Supervisory Board,
- Janusz Dedo, Member of the Board,
- Javier Galindo Hernandez, Member of the Supervisory Board,
- Jose Carlos Garrido-Lestache Rodríguez, Member of the Supervisory Board,
- Artur Kucharski, Member of the Supervisory Board,
- Fernando Luis Pascual Larragoiti, Member of the Supervisory Board.

In 2020, the following changes occurred in the composition of the Supervisory Board:

- as of 18 June 2020, Marzenna Anna Weresa resigned from the position in the Supervisory Board,
- on 18 June 2020, the Ordinary General Meeting appointed Artur Kucharski to the Supervisory Board.

Composition of the Audit Committee as at 31 December 2020 was as follows:

- Danuta Dąbrowska – Chairwoman,
- Javier Galindo Hernandez – Member,
- Agnieszka Słomka-Gotębiowska – Member.

The composition of the Audit Committee in 2020 did not change.

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 BeGood Practices of Companies Quoted at the Warsaw Stock Exchange 2016 (rule II.Z.4. Section II, Management Board and the Supervisory Board of “Best Practice of Companies listed at the Warsaw Stock Exchange 2016”).

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.

Composition of the Investment Committee as at 31 December 2020 was as follows:

- Janusz Dedo – Chairman,
- Javier Galindo Hernandez – Member,
- Fernando Luis Pascual Larragoiti – Member.

The composition of the Investment Committee in 2020 did not change.

Composition of the Remuneration Committee as at 31 December 2020 was as follows:

- Marek Michałowski – Chairman,
- Igor Chalupec – Member,
- Juan Ignacio Gaston Najarro – Member.

The composition of the Remuneration Committee did not change during 2020.



102-26 Sustainability management

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

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

- quality management system according to ISO 9001,
- environmental management system according to ISO 14001,
- occupational health and safety management system – compliant with ISO 45001,
- information security management system according to ISO/IEC 27001,
- quality management system according to AQAP 2110,
- energy management system according to ISO 50001,
- IT services quality management system according to ISO/IEC 20000-1,
- quality system according to PN-EN ISO 3834-2 for welding.

Budimex S.A. has its NATO Commercial and Government Entity Code (NCAGE) number 1836H – granted to entities whose activities are related to the range of defence products or provision of defence services. In addition, the Integrated Management System takes into account the guidelines for corporate social responsibility management specified in standard PN-ISO 26000.

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

The basis for actions in terms of corporate social responsibility (CSR) in the Budimex Group companies is the CSR Strategy. The document valid in 2016-2020 described eight key areas of its corporate social responsibility:



improvement of occupational health and safety standards.



reduction of environmental impact



being a neighbour, guest and partner for local communities



elimination of a risk of unethical behaviours



development of unique competencies and friendly working environment



assurance of the top quality of performance



support for the culture of innovations



provision of surveillance mechanisms for social and environmental results of activities

Each of them has assigned specific objectives, indicators of their accomplishment, expected values to be achieved and recommended activities aimed at the implementation of plans.

The directions of the strategies are consistent with the policies of the Ferrovial Group. These documents apply in all cases to all companies of this capital group (i.e. all companies of the Budimex Group) and to their employees, including managers. From the point of view of corporate social responsibility, the key policy is the Principles of the Company's Responsibility Policy. It draws on the UN Global Compact principles.

Particular significant areas of responsibility are reflected in other group policies. They regulate such areas as environmental impact, anti-corruption, or protection of human rights

In the second half of 2020, work on the „CSR Strategy for 2021–2023” was started, which also refers to the UN Sustainable Development Goals. The document is based on six key areas of responsibility in the following wording:



In the Budimex Group, the CSR Committee, chaired by the President of the Management Board, is responsible for strategic management of its social responsibility. The Committee consists of representatives of the Management Board and selected organisational units. Its meetings are

held on a quarterly basis and are devoted to reviewing, approving and settling the achievement of CSR objectives, as well as discussing the most important issues related to sustainable development.



Risk management system

The following are prepared based on the analysis of reported risks:

- a map of key risks for the organisation presented at meetings of the Management Board and the Audit Committee,
- a map of other risks controlled and monitored by the Directors of Budimex S.A. Divisions, who simultaneously perform the function of members of the Supervisory Boards in subsidiaries.

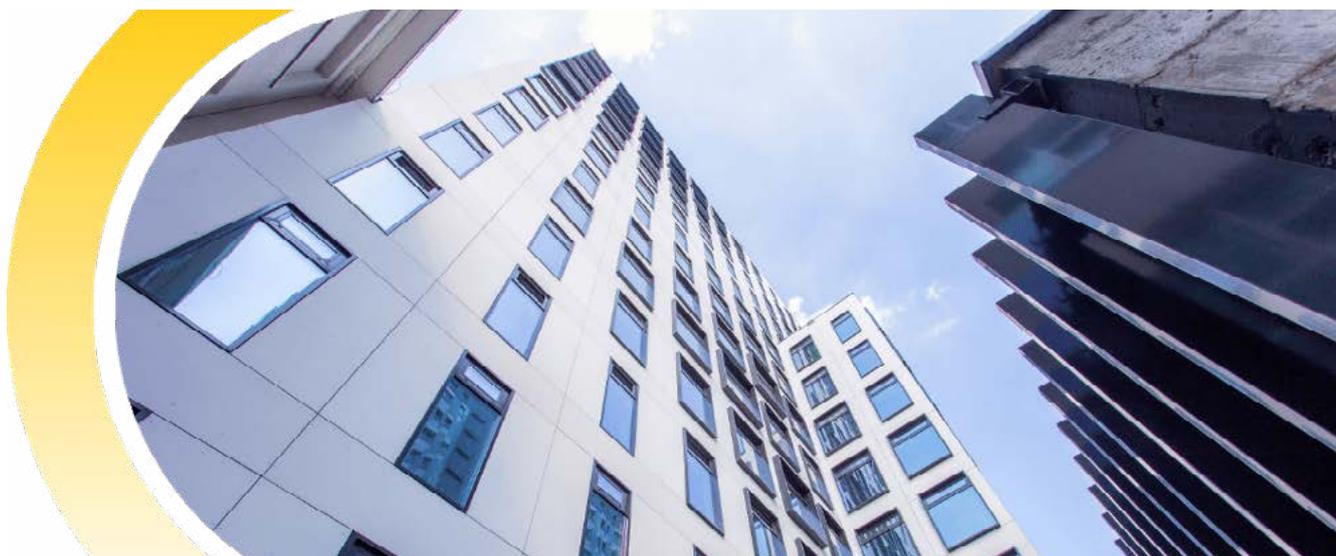
For every risk, tools and activities for its minimisation are specified. Each risk is assessed at the level of inherent (before consideration of tools and activities for its reduction) and residual risk (after application of tools and activities for its reduction). The risk may be classified as very serious, serious, moderate and irrelevant with regard to its consequences and probability of its occurrence, as well as to business exposure.

The risks that are very serious and serious from the level of inherent and residual risk and key for particular areas of activities are controlled by the Management Board. Other risks, which, after applying tools and

activities reducing risk at the level of residual risk, show the weight of moderate and low risk, are controlled by individual Division Directors. The risks are monitored on a quarterly basis. This approach covers both financial and non-financial risks.

There were no non-financial risks on the map of key risks. The map of other risks includes the selected environmental risks.

On 29 September 2020, the Supervisory Board of Budimex S.A. approved the establishing of an independent entity of the Internal Audit Office (BAW) at the request of the Management Board. On 19 November 2020, the Supervisory Board approved the decision to appoint the person managing this unit. The Head of the Internal Audit Office was given the task of organising an independent internal audit function, providing systematic and objective assurance and advisory services in the areas of risk management, managerial control and corporate governance. This change is part of improvement of the management and supervision mechanisms at the Budimex Group.



Risk factors

The Budimex Group, in the course of its activities, is exposed to various types of financial risk: currency risk, interest rate risk, price risk, credit risk and liquidity risk.

The counterparty credit risk is an inherent business risk. Despite the introduction of restrictive debt control procedures in the Group, there is still a risk related to the insolvency of investors. Delays in the timely settlement of receivables may negatively affect the Group's financial results, which will require write-downs on receivables and financing the operations with external debt.

The information concerning the Budimex Group's objectives and methods of financial risk management are included in the consolidated financial statements for the year ended 31 December 2020 (Note 3).

Execution of construction contracts takes place under specific technical and economic conditions, which influences the level of the margin obtained. The Companies of the Budimex Group, which provide construction services, monitor technical, organisational, legal, and financial

risks related to the planning and current course of works in individual contracts. Despite the control mechanisms introduced and the protection of general risks (credit, currency and civil liability risks), it is possible for the occurrence of the factors that cause the execution of a contract with a margin lower than originally planned, among which are:

- general economic uncertainty caused by the current COVID-19 pandemic,
- increase in prices of construction materials, petroleum materials and energy,
- increase in service prices and limited availability or bankruptcy of subcontractors,
- increase in employment costs and limited availability of skilled workers,
- delays in timely performance of or insufficient quality of the subcontractors' works,
- delays in obtaining appropriate administrative decisions,
- change in the scope of work or technologies agreed in the contracts,
- adverse weather or ground conditions.



103-1
103-2
103-3

Risk management in the supply chain

The Budimex Group's supply chain covers thousands of suppliers and contractors, with whom it cooperates every day. The vast majority of them are Polish enterprises. Approximately three thousand counterparties have been cooperating with the Group continuously for at least 8

years, and for some key suppliers this period is even more than 15 years. As a general contractor, Budimex is responsible for the actions undertaken by them, supplied materials and provided working conditions.



414-1
414-2

Each new contractor is subject to a preliminary assessment on the basis of a qualification questionnaire containing a declaration on compliance with applicable regulations in the scope of labour law or environmental protection, among others. All significant suppliers and subcontractors are subject to preliminary assessment (qualification). In the case of ending cooperation with a given supplier, the final assessment is conducted, including such issues as quality, timeliness, actual technical capacity, OHS, environmental aspects and issues related to human rights, including employees' rights. The assessment is conducted by contract managers who must indicate any irregularities or events that may constitute a threat, or actions inconsistent with the principles applicable to sub-suppliers in the Budimex Group. Results of questionnaires

and final assessments are gathered in the Central Database. Internal auditors have full insight in these materials and use them to assess sub-suppliers. They also have access to bids presented by suppliers, based on which the contract has been signed. Thanks to the analysis of bids, contract's history and the final assessment result, it is possible to verify how the cooperation actually proceeded and ended and whether it was consistent with what the given sub-supplier committed to at the bid submission stage. Regardless of the assessment, after the end of a given contract, the Budimex Group sends a Satisfaction Survey to the investor. The assessment results and conclusions are then analysed by the management at annual management reviews.

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

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

The Budimex Group strives to ensure that material agreements with key business partners, regardless of their negotiating power, are supplemented with an appendix constituting a set of rules of conduct for counterparties, which considers the aspects of ethics, human rights, compliance with law, care for natural environment, etc.

414-1 The results of preliminary assessments (qualification surveys) and final assessments for sub-suppliers in 2020 are as follows (as at 31/12/2020):
414-2

	2016	2017	2018	2019	2020	cumulatively (active)
framework agreements						
material project agreements defined as framework agreements BZC	16	19	30	11	7	164
material project agreements containing ethical clauses. total number of agreements with these clauses and percentage of material framework agreements	11 (69%)	11 (58%)	24 (80%)	8 (73%)	6 (86%)	128 (78%)
percentage of all agreements with ethical clauses among all framework agreements	50%	72%	73%	73%	86%	79%
questionnaires and final assessments						
Number of qualifying questionnaires	1 191	1 019	1 163	885	820	4 662
number of conducted final assessments	4 583	3 068	5 329	1 420	694	7 411
Number of irregularities identified	184	153	361	93	40	507
Number of irregularities identified						
meeting deadlines	61	45	121	31	12	166
product quality	24	21	47	10	6	66
technical capacity	50	41	78	23	7	112
compliance with price terms	11	10	31	13	6	51
OHS	26	23	49	7	5	62
environmental protection	12	12	35	9	4	50



205-1
103-1
103-2
103-3

Ethics and compliance / Ethical integrity

The risk of corruptive behaviour is inextricably linked to each type of business activity. It is in the interest of every entrepreneur to introduce solutions limiting such risk and to implement mechanisms allowing for early identification of activities that are illegal or contrary to the in-house procedures. Liability is particularly high in the construction industry, where contracts have a very high value and funds are often public. The solutions implemented in the Budimex Group enable bringing the risk to a low level.

The anti-corruption policy of the Budimex Group is defined primarily by the “Anti-corruption Policy” and the “Compliance Policy”. The aforementioned documents unequivocally prohibit, among other things

- offering any benefits to representatives of the administration or other persons in exchange for a specific action or decision,
- requesting or accepting any benefits from employees of Group companies which could influence them to perform their duties in a disloyal or improper manner,
- entering into false contracts,
- maintaining books and records dishonestly,
- concealing or improperly investing funds,
- concealing the sources of funds.

Prior to concluding an agreement with a natural or legal person who would represent the Group companies in relations with government officials or private entities, it is necessary to conduct due diligence and repeat it periodically if necessary.

In particular, attention must be paid to the reputation of such person or entity, in particular to potential: breaches of anti-corruption laws, charging fees unreasonably higher than standard payments and being on lists important from the point of view of protecting the enterprise interests (e.g. on the US Trade Department’s list of people under trade embargo). It is also necessary to verify whether the person or entity is somehow related to the public administration. Those aspects are included in the „CSR Strategy for 2016-2020”. One of its key objectives was the “Elimination of the risk of unethical conduct”.

Monitoring of the compliance with rules and controls are conducted by the Office of Internal Control, and supervised by the President of the Management Board. The Office of Internal Control is responsible for the identification and analysis of risks in the Group, as well as the prevention of factors that cause them. At the same time, it examines the activity of particular organisational units and companies in the Group. In the case of completed projects, the Office analyses the contract performance process, use of owned resources, draws up reports and issues instructions to take corrective actions. According to the implemented Procedure IO-01-01-03 “Final Contract Settlement”, after the completion of each construction,

the Office of Internal Control personnel examine the final settlements any construction materials purchased and used.

All key projects are analysed with regard to the corruption risk. The special form is filled by 100% of the controlled entities. Inspections on contracts of lower value are ad hoc and random. A post-inspection report does not disclose any tools used for their monitoring, considering them confidential. The Group assesses making such information public, in particular the analysis method, as potentially contributing to the reduction of their effectiveness and to an increased probability of unethical conduct. Risk monitoring is conducted in monthly, fortnightly or, if necessary, weekly cycles.

The Office of Internal Control may also carry out additional inspections. Its role is also to take preventive actions and build awareness of the Budimex Group’s employees concerning the risks and activities that may lead to them. To this end, the Office of Internal Control has also prepared the guide for the Contract Director/Manager, describing production processes allowing for safe and correct contract performance based on applicable procedures and instructions. In addition, all employees and suppliers of the Budimex Group must familiarise themselves with the anti-corruption policy and procedures. Each person employed at the Group becomes familiar with the applicable anti-corruption procedures during regular training.

Documents that allow to counteract the corruption risk at the operational level are the Compliance Policy and the Code of Ethics. They specify the principles that make it possible to prevent unethical behaviours, including corruption and bribery and any form of discrimination. The rules expressed in the Code of Ethics and the Compliance Policy apply to all employees and people employed by contractors of the Budimex Group. They were aggregated in the form of “Rules of conduct for the contractors of Budimex S.A.”

The Ethics Committee appointed by the President of the Management Board is responsible for compliance with the provisions of the “Code of Ethics” in the following composition:

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

Every year the Ethics Committee draws up a report on its activities, which is then submitted to the Management Board and to the Audit Committee of the Supervisory Board.



103-1 103-2 103-3 Compliance management

The Code of Ethics is part of the compliance system in force in the Budimex Group governed by the Compliance Policy and supports “ensuring compliance of the organization’s activities with the binding legal regulations, standards and internal regulations, aiming at:

- preventing violations of the organization’s good name and reputation,

- minimising the risk of financial losses resulting from the organisation’s activity violating the law or internal regulations,
- reduce the risk of exposing the organisation to civil, administrative or criminal liability”.

Respect for the law and ethics in business is one of the key principles of operation of the Budimex Group.

The main principles of the Compliance Policy include:



respect for the law



ethics and honesty in conducting activity



transparency of companies’ activities



zero tolerance for activities contrary to the law or to the compliance system

206-1
411-1
419-1
417-2 **The Compliance Policy** introduces the so-called Compliance System, aiming at adopting and enforcing internal regulations properly. The proper application of and compliance with the Compliance Policy is supervised by the Chief Compliance Officer appointed by the company’s Management Board, the Deputy Chief Compliance Officer, and also by the Compliance Committee. It includes representatives of every organisational division of the company. The Chief Compliance Officer is a Member of the Management Board, Director of the Legal and Organisational Department.

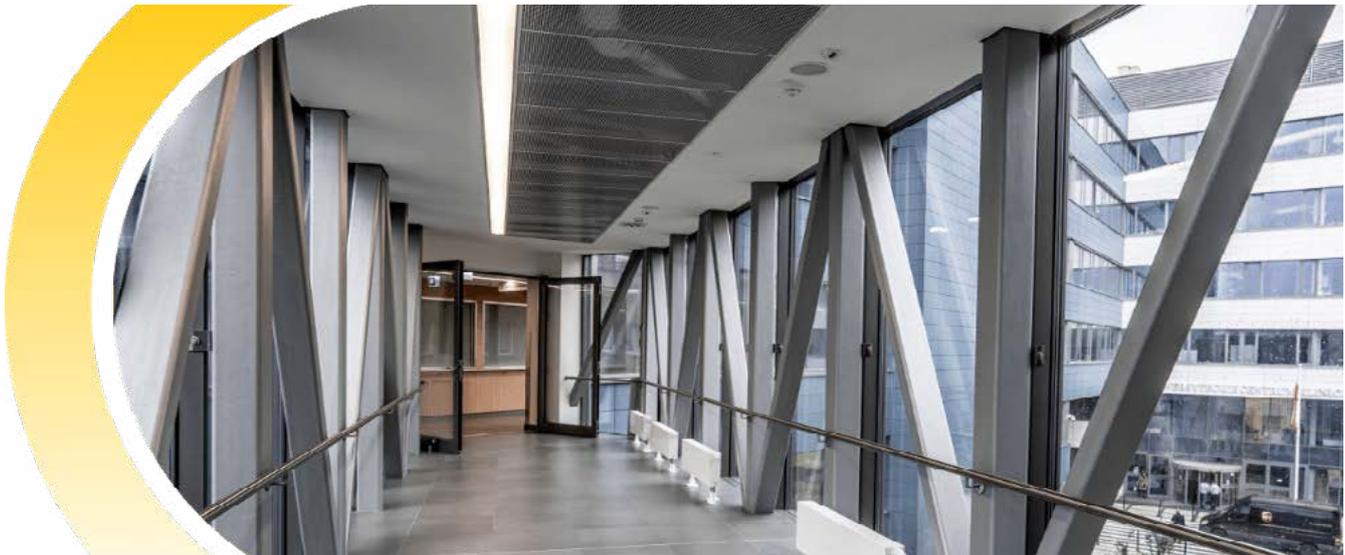
Adherence to the Compliance Policy concerns the compliance with law and articles of association of Budimex S.A., the Code of Ethics, regulations, policies, procedures, instructions in force in companies, particularly those related to the minimisation of the risk of participation of the Group’s employees in any activity raising suspicion of corruption or paid protection.

In 2020, no legal steps were taken against any of the companies of Budimex Group (i.e. Budimex, Budimex Nieruchomości, Mostostal Kraków, FBSerwis). No legal steps were taken with respect to violations of the principles of free competition and monopolistic practices.

In 2020, there were no cases of violation of the rights of any indigenous population by any Budimex Group companies (i.e. Budimex, Budimex Nieruchomości, Mostostal Kraków, FBSerwis).

In 2020, no non-financial sanctions for non-compliance with the law and regulations regarding the supply and use of products and services were imposed on any Budimex Group company (i.e. Budimex S.A., Budimex Nieruchomości, Mostostal Kraków, FBSerwis).

In 2020, there were no cases of non-compliance with regulations and voluntary codes concerning labelling and information on products and services by any Budimex Group company (i.e. Budimex S.A., Budimex Nieruchomości, Mostostal Kraków, FBSerwis).



103-1
103-2
103-3
102-17

Whistleblowing system

Any information on the “Code of Ethics” and “Compliance Policy” is available on the Budimex Group’s intranet. Since 2017, the compliance matters and ethics contained in them are part of regular training activities for employees:



compliance emergency telephone
(+48 789 404 104),



email addresses:
compliance@budimex.pl and etyka@budimex.pl



an electronic platform
for anonymous reporting



option of reporting in person
to the Chief Compliance Officer or its Deputy.

There are also reports e.g. in the form of letters sent directly to the President of the Management Board or members of the Management Board of Budimex S.A. – Parent Entity in the Budimex Group. In such a case, they are transferred directly to people responsible for their consideration.

If the notifier so wishes, he or she shall remain anonymous and be assured that there are no business consequences associated with the notification. The Chief Compliance Officer, in cooperation with the Compliance Committee and/or the Office of Internal Control, analyses every report in detail, while respecting confidentiality standards. Every breach is recorded in writing together with recommendations or guidelines for further actions to be taken by the organisational unit relevant to the report. The Chief Compliance Officer is obliged to regularly provide the

Management Board and the Supervisory Board with reports containing information on the actions that have been taken in order to explain the given report (at least for a period of three months). Furthermore, the Supervisory Board’s Audit Committee may request a report for a given period at any time.

The list of reports of breaches of the Code of Ethics / Compliance Policy in 2020:

- the probability of improper behaviour by the contract director towards subcontractors, i.e. preferring particular companies,
- the probability of irregularities in hiring foreign employees by one of subcontractors,
- the probability of improper behaviour by a supervisor towards an employee,
- information on improper behaviour of an employee towards a former spouse,
- probability of intrusion into the Budimex IT system,
- an employee of an external company detained by the Police (family issues),
- employee drawing attention to the use of words that may be offensive by certain people.

With respect to any irregularities in the behaviour of the contract manager and subcontractor’s employees, the reported violations were not confirmed. None of those events resulted in financial losses in the Budimex Group. In other cases, employees were cautioned about correct behaviours, even in non-work relations.

	2019	2020
number of confirmed corruption incidents	0	0
Percentage of employees familiar with anti-corruption policies and procedures	100%	100%
percentage of suppliers familiar with anti-corruption policies and regulations (contractual provisions)	100%	100%



103-1 103-2 103-3 416-1 416-2 Quality management

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

The Integrated Management System applies to the Budimex Group, covering, among others, the quality management system according to PN-EN ISO 9001, environmental management system according to PN-EN ISO 14001, OHS management system according to ISO 45001, and quality assurance system based on requirements of the AQAP 2110 NATO standard.

Uniform quality standards apply to all ongoing contracts of the Budimex Group. Certificates and subsequent accreditations are the result of the work of many people involved in ensuring the highest quality of implemented constructions.

The Group 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 are applicable to the acquiring and using a given raw material, at different stages of a construction process, and indicate actions to be taken when deviations from the norm are found.

In 2020 a total of 27 laboratory units located all over Poland and equipped with state-of-the-art research facilities that meet interna-

tional standards, conducted regular quality inspections of works and construction products at all stages, also in the context of security of structures. The Central Laboratory with an accreditation of the Polish Centre for Accreditation No. AB 1414 constitutes the Budimex Group's leading laboratory. It applies 50 accredited test methods. Nine methods in total were expanded and updated in 2020. Also in the previous year the Central Laboratory was equipped with specialist equipment such as: dynamic shear rheometer (DSR) and ductility tester, an instrument used for testing asphalt binders. In one of the projects, a set of containers was purchased and a photovoltaic system was installed as a renewable energy source for the purposes of laboratory tests.

The laboratory management system complies with the standard PN-EN ISO/IEC 17025 "General requirements for the competence of testing and calibration laboratories". In addition to an ongoing laboratory inspection, the unit also actively supports the Innovation Department and is engaged in research and scientific projects in cooperation with recognised scientific centres, e.g. Wrocław University of Technology, Gdańsk University of Technology, Warsaw University of Technology, and the Road and Bridge Research Institute.

Works of laboratories are based on highly qualified personnel, who continuously improves its skills, also by participating in technical and managerial training. Quality experts are eager to share their practical technical knowledge in the course of trainings for laboratories and engineering staff as part of the Budimex Academy.

Area 6: Top quality assurance

maximisation of the Quality Conformance* (QC) index	value of the Quality Conformance (QC) index	≥100% of the last period's value	target achieved the QC value for 2020 was 96.1% compared to 94.6% for 2019.
---	---	----------------------------------	--

* Index for assessing compliance of test results with the quality standards in force

Outlook



Prospects for the development of the activities of the Budimex S.A. and Budimex Group in the next year. In the coming year, the Budimex Group will continue to operate in all key sectors of the construction market in Poland, as well as in selected foreign markets.



The value of orders signed by the Budimex Group in 2020 was higher by 20% compared to the previous year. In 2021, the offerings of new tenders are expected to remain at a similar level, as the perspectives for the entire construction market for the current year and the next few years are good.

Despite temporary difficulties caused by the pandemic, the amounts planned for investments by the main contracting authorities, i.e. GDDKiA and PKP PLK, are stable and should be at a similar level to the expenditures from 2020. The investment expenditure of the main public contracting authorities is co-financed by European Union funds and the guarantee of funds in the new budgetary perspective 2021 – 2027 under the Infrastructure and Environment programme does not seem to be jeopardised. Moreover, Poland will receive funds from the Reconstruc-

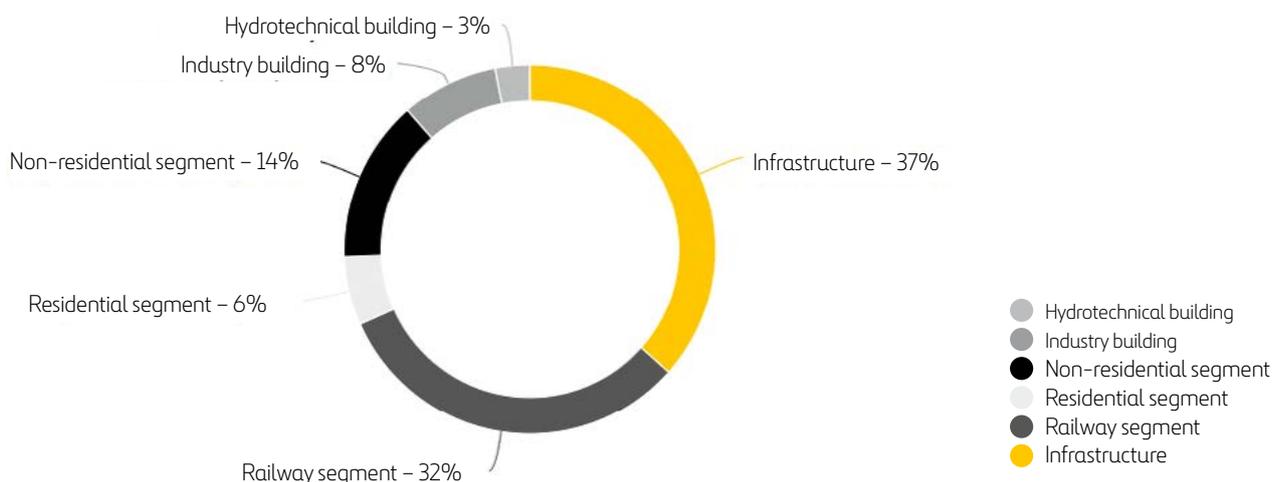
tion Fund, which will be an additional source of investment financing, providing an impulse for further development of both the construction sector and the entire economy.

The Group plans to consistently reinforce its position in the commercial building sector and acquire new contracts in the industry – power engineering, railway and hydrotechnical segment. Its interests also include public-private partnership projects.



In 2020, the Budimex Group companies signed construction contracts of the total value of PLN 8,976,411 thousand (including addenda). As at 31 December 2020, the value of its construction project portfolio was PLN 12,721,460 thousand, which was an 18% increase compared to the end of 2019.

The structure of the order portfolio of the Budimex Group as at 31 December 2020 was as follows:



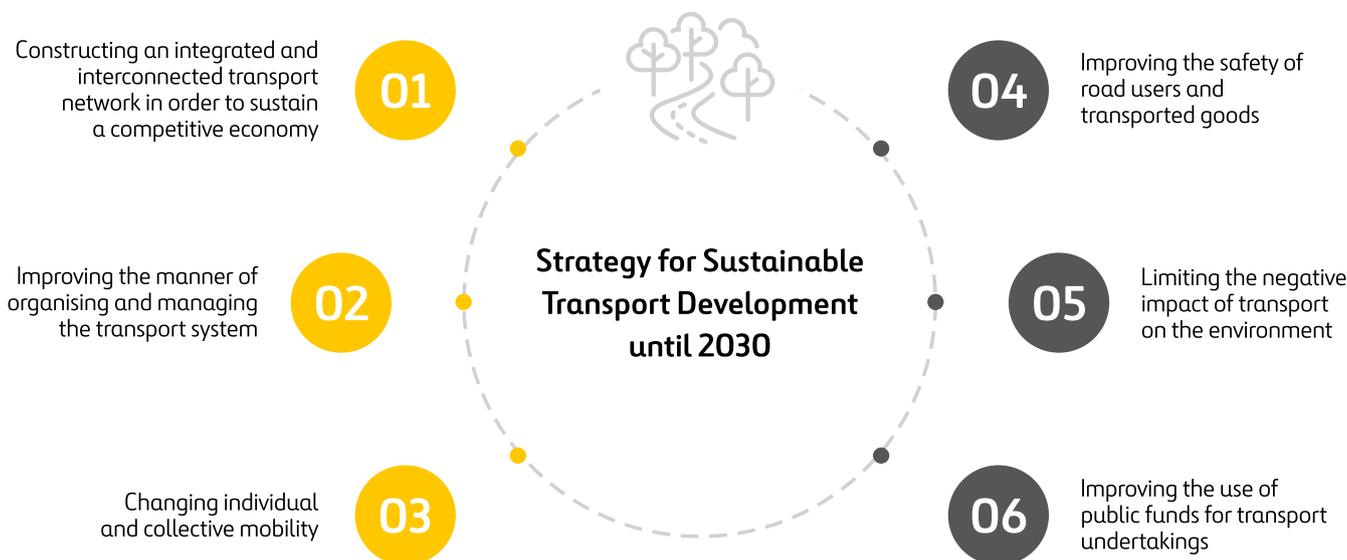
Medium- and long-term perspectives for the development of Budimex depend mostly on projects in the two most important sectors in the Group's portfolio, i.e. the infrastructure and rail industries.

The development of projects in these areas is defined in strategic documents at the national and European level. The most important documents which serve as the basis for making decisions on projects related to transport on the European level are:

- **European Green Deal**, which is an action plan promoting sustainable economy. The ambition of the EU is to be climate-neutral by 2050. To achieve this goal, it is necessary to limit emissions in the transport sector by 90% by 2050 in relation to all types of transport, i.e. road, rail, air and water transport. In the first place, the European Union is planning to increase the role of railway and inland waterways in the inland transport of goods, 75% of which is currently road transport.

- **Sustainable and Smart Mobility Strategy**, which sets out ten milestones, including for example: traffic on high-speed rail will double by 2030 and triple by 2050, and rail freight traffic will increase by 50% by 2030 and double by 2050.

The key document which determines the development of infrastructure and rail projects in Poland is the horizontal Strategy for Sustainable Transport Development until 2030, which sets out the most important directions for the development of transport in Poland until 2030. It is connected with assumptions related to the EU financial perspective for the years 2021–2027. Its main goal is to increase the availability of transport, improve the safety of road users and improve the effectiveness of the transport sector by creating a coherent, sustainable, innovative and user-friendly transport system at the national, European and global levels.



An important component in the development of the transport network in Poland is the construction of **Solidarity Port – Central Communication Port (Port Solidarność – Centralny Port Komunikacyjny)**. The Central Communication Port is a planned interchange which will be located between Warsaw and Łódź to integrate air, rail and road transport. As part of the project, Solidarity Airport will be built 37 km west of Warsaw and when the first stage of the project is completed, the airport will be able to serve 45 million passengers a year. The Central Communication Port involves rail projects as well: a junction in the vicinity of the airport and a network all over the country, which will make it possible to travel from Warsaw to the biggest Polish cities in no more than 2.5 hours. The railway component related to the Central Communication Port involves the construction of new railway lines and an upgrade of the existing ones.

Capital expenditure of the main public contracting authorities is co-financed by the European Union and it seems that it is safe thanks to funds guaranteed in the new budget perspective for the years 2021–2027 under the Operational Programme Infrastructure and Environment. Moreover, a new tool for financing construction projects, which will give a new impetus to the continuous development of the construction sector and the whole economy, will be the **Recovery and Resilience Facility**, which is the biggest fund out of all financial instruments aimed at rebuilding European economies after the pandemic caused by SARS-Cov-2. The Facility was proposed by the EC and approved by the European Council in July. It is worth EUR 750 billion and offers EUR 672.5 billion in the form of loans and subsidies to support reforms and investments made by EU countries.

About the report



Information about the report

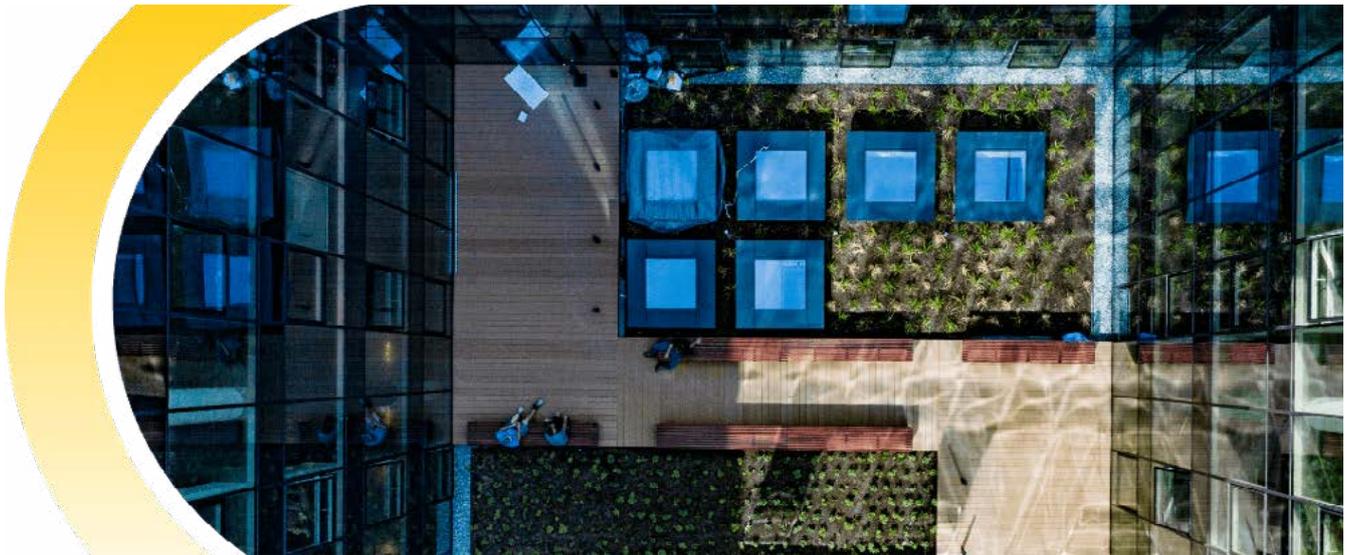
102-52
102-45
102-50
102-51
102-54
102-56

This publication is another integrated annual report which presents the entire financial, social and environmental performance of the Budimex Group. Its distribution and the possibility of comparing data with previous years allow a reliable assessment of the results achieved by the organisation. The previous report was published in May 2020.

The report presents the most important activities of the Budimex Group between 1 January and 31 December 2020. The report contains information and results for financial matters concerning all Budimex Group companies included in the consolidated financial statements: The greatest social and environmental impact in this period was exerted by Budimex S.A., Mostostal Kraków S.A., Budimex Nieruchomości Sp. z o.o. and FBSerwis Sp. z o.o. That is why the report focused on them when describing the non-financial aspects of the Group's activities. The

publication did not take into account the subsidiaries that were not included in the consolidated financial statement of the Group due to their intangibility. The list of these companies is included in the consolidated statement of the Budimex Group for 2020.

The report was prepared in accordance with GRI Standards in the core version with the guidelines of the International Integrated Reporting Council (IIRC) concerning integrated reporting. It was also subject to non-obligatory verification of an independent auditor – Deloitte Audyt-dvisory Sp. z o.o. sp. k. – in the scope of selected GRI indicators (marked with * in the first column of the GRI Table).



102-43
102-46

Importance of issues in the report

The process of defining important aspects in the Budimex Group was initiated in 2012 as part of comprehensive audit conducted among key managers. It based on the guidelines of the standard PN-ISO 26000 and concerned the analysis with indication of key areas of the Group's responsibility. One year later, the selected areas were re-verified in terms of environmental and financial aspects and then developed by the CSR Committee established in 2013. The areas have been also strongly emphasised in the CSR Strategy for 2016-2020. The Strategy is settled in the report, which refers directly to the areas of the Strategy. These areas are monitored by the CSR Committee and they would be modified in the event of significant changes in the business model or environment. The results of publicly available research, forecasts

and statistics on the construction sector, the opinions of workers, the conclusions of the Steering Committee of the "Agreement for Safety in Construction" are used for their analysis.

The Management Board of Budimex S.A. decided that, for the purpose of this report, there was no need to repeat the significance test, since, as compared to 2019, no important changes in this respect have occurred. Such issues as accident rates, cooperation with subcontractors, biodiversity are still most often indicated by stakeholders. This is due to the existing scope of the Group's business activities and thus its unchanged environmental and social impact.

The list of key issues for the activities of the Budimex Group includes:



employment conditions,
occupational health
and safety (OHS)



influence on local
environment and
biodiversity



unethical conduct
prevention



quality and safety of
construction facilities



reasonable use
of resources
and minimising
environmental pollution

102-47 Based on the previously mentioned materiality analysis, the materiality of individual aspects is as follows:

Social or environmental aspect	Impact aspects and GRI indicators	Budimex Group
employment conditions, occupational health and safety (OHS)	<ul style="list-style-type: none"> workplace: occupational health and safety (403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10)(403-1, 403-2) supplier assessment (414-1, 414-2) 	high
influence on local environment and biodiversity	<ul style="list-style-type: none"> biodiversity (304-1, 304-2, 304-3) environmental assessment of suppliers (308-1, 308-2) local community (413-1, 413-2) 	high
unethical conduct prevention,	<ul style="list-style-type: none"> human rights: investments (412-3) human rights: complaint transfer procedure (102-17) anti-corruption (205-1, 205-3) 	high
quality and safety of construction	<ul style="list-style-type: none"> Customer health and safety (416-1, 416-2) 	high
reasonable use of resources and minimising environmental pollution	<ul style="list-style-type: none"> raw materials and materials (301-1, 301-2) energy (302-1) emissions (305-1, 305-2) sewage and waste (306-3) compliance with the regulations (307-1) environmental assessment of suppliers (308-1, 308-2) other (industry) (CRE6, CRE8) 	medium



102-40
102-42
102-44

Stakeholders

When developing long-term relationships with stakeholders, Budimex follows corporate values: responsibility, ethics, cooperation and ambition. The CSR Committee appointed by the Group watches over the assurance that communication with key target groups is kept in a transparent form, in accordance with the open dialogue principles. The map of stakeholders affecting the Budimex Group and those affected by it is created by:

- employees and social partners (potential, present and former employees, trade unions, employees of subcontractors and suppliers, students, National Labour Inspectorate and other supervisory institutions),
- investors (the strategic investor, institutional investors, individual investors, Warsaw Stock Exchange, brokerage houses, banks),
- customers (institutional and individual, GDDKiA, business partners, key suppliers, subcontractors, local 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 is the responsibility of the Communication Department and the CSR Committee, which constantly analyses and updates external and internal factors that may affect its course, as well as the relevance of individual areas of the organisation's responsibility. The Group applies the principle of decentralised dialogue, which means that direct relations with stakeholders prevail. Communication with them takes place both in the form of activities required by law, i.e., for example, by publishing information in current and periodic reports, as well as numerous additional activities. The Communication Department, the Spokesperson and the Strategic Analysis Office are responsible for dialogue with external environment.

Non-financial data tables



Charity, sponsorship and innovation

	Grupa Budimex		Budimex S.A.	
	2019	2020	2019	2020
donations (PLN thousand)	883	4,761	804	4,094
sponsorship (PLN thousand)	1,650	1,242	1,581	1,226

Employment

102-7
102-8

I. Employment at the end of the year

	2019			2020		
	Women	Men	Total	Women	Men	Total
Budimex Group*	1456	6022	7478	1525	5748	7273
• Polish market	1451	4987	6438	1524	4877	6401
• definite period	376	1820	2196	371	1481	1852
• indefinite period	1075	3167	4242	1153	3396	4549
• full-time	1431	4969	6400	1494	4843	6337
• part-time	20	18	38	30	34	64
• age below 30	473	863	1336	463	799	1262
• age 30-50	879	3048	3927	966	3062	4028
• age over 50	99	1076	1175	95	1016	1111
• German market	5	1035	1040	1	871	872
• definite period	3	1005	1008	0	845	845
• indefinite period	2	30	32	1	26	27
• full-time	5	1035	1040	1	871	872
• part-time	0	0	0	0	0	0
• age below 30	0	145	145	0	92	92
• age 30-50	1	560	561	0	491	491
• age over 50	4	330	334	1	288	289

Budimex S.A.		1187	4415	5602	1226	4162	5388
• Polish market		1182	3504	4686	1225	3388	4613
	• definite period	285	1120	1405	274	888	1162
	• indefinite period	897	2384	3281	951	2500	3451
	• full-time	1163	3496	4659	1198	3372	4570
	• part-time	19	8	27	27	16	43
	• age below 30	404	624	1028	385	568	953
	• age 30–50	704	2316	3020	768	2289	3057
	• age over 50	74	564	638	72	531	603
• German market		5	911	916	1	774	775
	• definite period	3	883	886	0	750	750
	• indefinite period	2	28	30	1	24	25
	• full-time	5	911	916	1	774	775
	• part-time	0	0	0	0	0	0
	• age below 30	0	129	129	0	84	84
	• age 30–50	1	499	500	0	435	435
	• age over 50	4	283	287	1	255	256

*Data for the Budimex Group include the following companies: Budimex S.A., Budimex Nieruchomości Sp. z o.o., Mostostal Kraków S.A., Budimex Kolejnictwo S.A., Budimex Budownictwo Sp. z o.o., FBSerwis S.A., including operations on the German market (Budimex S.A. and Mostostal Kraków S.A.).

102-41 II. Percentage of employees covered by collective agreements

	2019	2020
Budimex Group	81.4%	70.9%
Budimex S.A.	99.6%	99.8%

Note: data refer to the Polish market.

401-1 III. Hiring of new employees

	2019			2020			
	Women	Men	Total	Women	Men	Total	
Budimex Group*	234	1750	1984	244	1569	1813	
• Polish market	234	791	1025	244	848	1092	
	• age below 30	128	254	382	139	290	429
	• age 30–50	95	411	506	96	449	545
	• age over 50	11	126	137	9	109	118
	• percentage share of new employees	16%	13%	14%	16%	15%	15%
• German market	0	959	959	0	721	721	
	• age below 30	0	185	185	0	128	128
	• age 30–50	0	544	544	0	384	384
	• age over 50	0	230	230	0	209	209
	• percentage share of new employees	0%	93%	92%	0%	83%	83%
Budimex S.A.	165	1234	1399	171	1134	1305	
• Polish market	165	389	554	171	473	644	
	• age below 30	98	132	230	105	173	278
	• age 30–50	59	211	270	62	250	312
	• age over 50	8	46	54	4	50	54
	• percentage share of new employees	14%	9%	10%	14%	11%	12%

• German market	0	845	845	0	661	661
• age below 30	0	171	171	0	118	118
• age 30–50	0	477	477	0	350	350
• age over 50	0	197	197	0	193	193
• percentage share of new employees	0%	93%	92%	0%	85%	85%

*Data for the Budimex Group include the following companies: Budimex S.A., Budimex Nieruchomości Sp. z o.o., Mostostal Kraków S.A., Budimex Kolejnictwo S.A., Budimex Budownictwo Sp. z o.o., FBSerwis S.A., including operations on the German market (Budimex S.A. and Mostostal Kraków S.A.).

401-1 IV. Departures of employees

	2019			2020		
	Women	Men	Total	Women	Men	Total
Budimex Group*	237	2111	2348	175	1843	2018
• Polish market	234	1114	1348	171	958	1129
• age below 30	95	283	378	52	184	236
• age 30–50	124	612	736	100	547	647
• age over 50	15	219	234	19	227	246
• turnover ratio	16%	18%	18%	11%	17%	16%
• German market	3	997	1000	4	885	889
• age below 30	0	142	142	0	153	153
• age 30–50	1	584	585	0	460	460
• age over 50	2	271	273	4	272	276
• turnover ratio	60%	96%	96%	400%	102%	102%
Budimex S.A.	196	1602	1798	132	1387	1519
• Polish market	193	742	935	128	589	717
• age below 30	87	191	278	42	97	139
• age 30–50	98	425	523	76	366	442
• age over 50	8	126	134	10	126	136
• turnover ratio	16%	17%	17%	10%	14%	13%
• German market	3	860	863	4	798	802
• age below 30	0	122	122	0	139	139
• age 30–50	1	511	512	0	421	421
• age over 50	2	227	229	4	238	242
• turnover ratio	60%	94%	94%	400%	103%	103%

*Dane dla Grupy Budimex obejmują spółki: Budimex S.A., Budimex Nieruchomości Sp. z o.o., Mostostal Kraków S.A., Budimex Kolejnictwo S.A., Budimex Budownictwo Sp. z o.o., FBSerwis S.A., włączając działalność na rynku niemieckim (Budimex S.A. i Mostostal Kraków S.A.).

401-3a V. Number of employees on parental leaves as at 31 December

	2019			2020		
	Women	Men	Total	Women	Men	Total
Budimex Group*	114	6	120	109	6	115
• Polish market	114	5	119	109	6	115
• German market	0	1	1	0	0	0
Budimex S.A.	99	6	105	93	6	99
• Polish market	99	5	104	93	6	99
• German market	3	860	863	5	798	803

*Data for the Budimex Group include the following companies: Budimex S.A., Budimex Nieruchomości Sp. z o.o., Mostostal Kraków S.A., Budimex Kolejnictwo S.A., Budimex Budownictwo Sp. z o.o., FBSerwis S.A., including operations on the German market (Budimex S.A. and Mostostal Kraków S.A.).

401-3b VI. Number of employees who returned to work after parental leaves during the year

	2019			2020		
	Women	Men	Total	Women	Men	Total
Budimex Group*	87	337	424	120	286	406
• Polish market	87	315	402	120	269	389
• German market	0	22	22	0	17	17
Budimex S.A.	76	304	380	106	247	353
• Polish market	76	283	359	106	234	340
• German market	0	21	21	0	13	13

*Data for the Budimex Group include the following companies: Budimex S.A., Budimex Nieruchomości Sp. z o.o., Mostostal Kraków S.A., Budimex Kolejnictwo S.A., Budimex Budownictwo Sp. z o.o., FBSerwis S.A., including operations on the German market (Budimex S.A. and Mostostal Kraków S.A.).

401-3b VII. Percentage of employees who left the company within 12 months after their return to work from parental leaves

	2019			2020		
	Women	Men	Total	Women	Men	Total
Budimex Group*	18%	12%	14%			
• Polish market	20,7%	13,3%	16,4%	18,3%	11,5%	13,6%
• German market	0%	59,1%	59,1%	0,0%	23,5%	23,5%
Budimex S.A.	22%	13%	16%	20%	12%	14%
• Polish market	0%	4%	3%	20%	9%	13%
• German market	78%	87%	84%	0%	62%	62%

*Data for the Budimex Group include the following companies: Budimex S.A., Budimex Nieruchomości Sp. z o.o., Mostostal Kraków S.A., Budimex Kolejnictwo S.A., Budimex Budownictwo Sp. z o.o., FBSerwis S.A., including operations on the German market (Budimex S.A. and Mostostal Kraków S.A.).

404-1 VIII. Average number of training hours per employee during the year

	2019		2020		2019		2020	
	by gender		by gender		by position		by position	
Budimex S.A.	men	8.1	12.0		Management Board	23.4	14	
	women	17.2	12.5		directors	38.9	29.1	
					managers	18.3	12.9	
					specialist positions and other	5.6	9.7	
					medium	10	12.1	
FBSerwis	men		3		Management Board		9	
	women		11		directors		44	
					managers		31	
					specialist positions and other		3	
					medium			
Budimex Nieruchomości	men		9.5		Management Board		3	
	women		9.9		directors		23.4	
					managers		11.8	
					specialist positions and other		7	
					medium		9.6	

Remuneration

202-1 I. Ratio of remuneration at the lowest level to the official minimum wage

	2019			2020		
	Women	Men	Total	Women	Men	Total
Budimex Group*	100%	152%	152%	100%	104%	103%
Budimex S.A.	146%	152%	152%	100%	104%	103%

Note: the data refer to the Polish market; the lowest category of positions applies only to Budimex S.A.

Diversity

405-1 I. Diversity in management bodies

	2019			2020		
	Women	Men	Total	Women	Men	Total
Budimex Group*						
• Management Board	3	14	17	3	13	16
• age below 30	0	0	0	0	0	0
• age 30-50	3	5	8	3	7	10
• age over 50	0	9	9	0	6	6
• including foreigners	0	0	0	0	0	0
• Supervisory Board	4	18	22	3	19	22
• age below 30	0	0	0	0	0	0
• age 30-50	2	5	7	2	5	7
• age over 50	2	13	15	1	14	15
• including foreigners	0	7	7	0	7	7
Budimex S.A.						
• Management Board	0	6	6	0	5	5
• age below 30	0	0	0	0	0	0
• age 30-50	0	1	1	0	1	1
• age over 50	0	5	5	0	4	4
• including foreigners	0	0	0	0	0	0
• Supervisory Board	3	7	10	2	8	10
• age below 30	0	0	0	0	0	0
• age 30-50	1	0	1	1	1	2
• age over 50	2	7	9	1	7	8
• including foreigners	0	4	4	0	4	4

405-2 II. Ratio of basic salary and remuneration of women to men

	Grupa Budimex		Budimex S.A.	
	2019	2020	2019	2020
• blue-collar workers	89.9%	83.3%	84.1%	87.3%
• white-collar workers	71.3%	71.0%	70.6%	70.7%
• executives	94.1%	94.5%	93.3%	93.6%
• Management Board	89.9%	91.3%	87.5%	89.8%

* Dane dla Grupy Budimex nie obejmują spółki FBService S.A.

OHS management system

	2019	2020
Budimex Group		
number of the company's employees and third-party employees working under supervision of the organisation, covered by the OHS management system	15,572	14,796
number of the company's employees and third-party employees working under supervision of the organisation, covered by the OHS management system	93%	94%
number of the company's employees and third-party employees working under supervision of the organisation, covered by the OHS management system and internal audit	14,417	14,619
percentage of the company's employees and third-party employees working under supervision of the organisation, covered by the OHS management system and internal audit	93%	93%
number of the company's employees and third-party employees working under supervision of the organisation, covered by the OHS management system, external audit and certification	14,417	14,619
percentage of the company's employees and third-party employees working under supervision of the organisation, covered by the OHS management system, external audit and certification	93%	93%
Budimex S.A.		
number of the company's employees and third-party employees working under supervision of the organisation, covered by the OHS management system	13,703	12,978
number of the company's employees and third-party employees working under supervision of the organisation, covered by the OHS management system	100%	100%
number of the company's employees and third-party employees working under supervision of the organisation, covered by the OHS management system and internal audit	13,703	12,978
percentage of the company's employees and third-party employees working under supervision of the organisation, covered by the OHS management system and internal audit	100%	100%
number of the company's employees and third-party employees working under supervision of the organisation, covered by the OHS management system, external audit and certification	13,703	12,978
percentage of the company's employees and third-party employees working under supervision of the organisation, covered by the OHS management system, external audit and certification	100%	100%

Accidents and occupational diseases

I. Accidents at work

	2019	2020
Budimex Group		
fatal accidents at work among own employees	2	0
total accidents at work among own employees	145	134
accident rate for total accidents at work among own employees	9.41	9.06
serious accidents at work among own employees	1	2
accident rate for total serious accidents at work among own employees	0.06	0.13
minor accidents at work among own employees	142	132
accident rate for total light accidents at work among own employees	9.22	9.6
fatal accidents at work among third-party employees	1	2
total accidents at work among third-party employees	72	53
accident rate for total accidents at work among third-party employees	2.51	1.95
serious accidents at work among third-party employees	3	3
accident rate for total serious accidents at work among third-party employees	0.1	0.1
serious accidents at work among third-party employees	68	48
accident rate for total light accidents at work among third-party employees	2.37	1.77

Budimex S.A.

fatal accidents at work among own employees	1	0
total accidents at work among own employees	72	62
accident rate for total accidents at work among own employees	7.46	6.75
serious accidents at work among own employees	1	1
accident rate for total serious accidents at work among own employees	0.10	0.10
minor accidents at work among own employees	70	61
accident rate for total light accidents at work among own employees	7.25	6.64
fatal accidents at work among third-party employees	1	2
total accidents at work among third-party employees	72	49
accident rate for total accidents at work among third-party employees	4.03	2.9
serious accidents at work among third-party employees	3	3
accident rate for total serious accidents at work among third-party employees	0.17	0.18
serious accidents at work among third-party employees	68	44
accident rate for total light accidents at work among third-party employees	3.81	2.61

Note: for accident rates indicated by the GRI Standards, the conversion of 1,000,000 hours of work was assumed, i.e. they were calculated as the number of accidents divided by total number of hours worked and then multiplied by 1,000,000 h. In the absence of a precise actual number of hours worked, the product of a number of employees and a number of working hours per year was assumed, in the situation where a working day lasts eight hours.

403-10 **II. Occupational diseases**

	2019	2020
Budimex Group		
number of people who died as a result of occupational diseases among the company's employees	0	0
number of identified cases of occupational diseases among own employees	0	1
number of people who died as a result of occupational diseases among third-party employees	0	0
number of identified cases of occupational diseases among third-party employees	0	0
Budimex S.A.		
number of people who died as a result of occupational diseases among the company's employees	0	0
number of identified cases of occupational diseases among own employees	0	1
number of people who died as a result of occupational diseases among third-party employees	0	0
number of identified cases of occupational diseases among third-party employees	0	0

Raw materials and waste

I. The use of raw materials and materials

Raw material / material	UM	Budimex Group* 2019	Budimex S.A. 2020
wood	m ³	84 015,61	83 994,11
concrete and mortar	m ³	821 789,77	821 789,77
hydraulic binders	m ³	33 882,15	33 882,15
cement	t	345 487,77	345 487,77
steel	t	404 191,33	394 806,33
tracks/ rails	m	225 687,94	225 687,94
hydro-technical stone	t	31 738,29	31 738,29
railway breakstone	t	329 673,34	329 673,34
aggregates			
• grit	t	91 795,50	91 795,50
• natural aggregate (sand + gravel)	t	3 354 808,78	3 354 808,78
• other aggregate	t	2 336 069,29	2 336 069,29
asphalt	t	37 487,20	37 487,20
wooden railway sleepers	pcs.	7 193,00	7 193,00
prestressed concrete railway sleepers	pcs.	239 331,00	239 331,00
lime dust	t	19 816,60	19 816,60
coal dust	t	11 221,94	11 221,94

* Data for the Budimex Group include the following companies: Budimex S.A., Mostostal Kraków S.A., FBSerwis S.A.

301-1 II. Consumption of raw materials for reuse

Category of recovered raw material	UM	Budimex S.A.			
		2017	2018	2019	2020
combustion by-products (UPS)	thousands of tonnes	20.07	6.03	-	-
Soil	thousands of tonnes	1,380.2	1,706.51	86.66	23,023.92
rubble	thousands of tonnes	91.99	44.32	24.47	30.52
crushed asphalt	thousands of tonnes	66.05	64.77	31.56	-
aggregates	thousands of tonnes	8.69	0	-	-
track ballast	thousands of tonnes	65.79	39.24	0.29	16.04

Source of energy and energy-producing raw materials*	UM	Budimex Group*			Budimex S.A.		
		2018	2019	2020	2018	2019	2020
diesel oil	GJ	370,560.04	539,988.79	523,052.87	356,849.89	426,396.15	403,487.63
	tonnes	8,617.68	12,557.88	12,206.07	8,298.83	9,916.19	9,383.43
petrol	GJ	22,319.78	24,937.95	39,706.08	19,668.30	21,803.86	38,019.04
	tonnes	503.83	562.94	896.47	443.98	492.19	858.22
light fuel oil	GJ	41,244.02	24,052.12	17,639.72	40,791.59	23,618.33	15,919.76
	tonnes	959.16	559.35	410.23	948.64	549.26	370.23
heavy fuel oil (LSC)	GJ	0.00	12.44	0.00	0.00	0.00	0.00
	tonnes	0.00	0.31	0.00	0.00	0.00	0.00
electrical energy	GJ	96,809.32	91,329.12	99,483.26	85,794.28	66,335.14	71,884.54
	MWh	26,891.08	25,505.69	27,634.24	23,831.75	18,426.43	19,967.93
electrical energy from renewable sources	GJ	24,742.07	9,157.93	15,905.33	24,742.07	9,821.21	15,905.33
	MWh	6,872.80	2,543.87	4,418.15	6,872.80	2,728.11	4,418.15
heat energy	GJ	41,585.97	41,293.07	51,542.44	41,291.29	40,135.46	51,542.44
	MWh	11,551.66	11,470.10	14,318.49	11,469.80	11,148.74	14,318.49
coal dust	GJ	461,873.80	292,849.28	232,294.17	461,873.80	292,849.28	232,294.17
	tonnes	22,312.74	14,147.31	11,221.94	22,312.74	14,147.31	11,221.94
Network Natural Gas	GJ	19,457.26	28,995.13	9,399.43	8,411.47	9,516.40	1,684.89
	tonnes	405.36	604.07	195.82	175.24	198.26	35.10
LPG	GJ	337.93	113.81	2.95	287.87	113.23	2.95
	tonnes	7.14	2.41	0.06	6.09	2.39	0.06
propane-butane	GJ	5,344.87	5,225.48	1,682.71	932.06	847.52	98.75
	tonnes	113.00	110.48	35.13	19.71	17.92	2.09
total	GJ	1,084,275.07	954,131.48	984,187.85	1,040,642.61	891,436.57	830,839.50
		25,897.47	22,891.41	23,506.92	24,855.32	21,291.60	19,844.26

*Data for the Budimex Group include the following companies: Budimex S.A., Mostostal Kraków S.A., FBSerwis S.A.

302-1 IIIb. Purchase of energy from renewable sources

Use of renewable energy	UM	Budimex S.A.					
		2017	2018	2019	2020	Change 2019/2018	Change 2020/2019
purchase of renewable energy	GJ	24,253.87	22,537.88	9,649.25	15,905.30	-57,2%	64,83%
production of renewable energy	GJ	11.45	70.62	160.66	126.59	127,50%	-21,21%
total:	GJ	24,265.32	22,608.50	9,809.91	16,031.89	-56,6%	63,43%
reduction of CO ₂ emission (purchase)	tonnes	5,469.25	5,082.29	2,175.90	2,995.07	-57,2%	37,65%
reduction of CO ₂ emission (production)	tonnes	2.58	15.92	36.23	23.84	127,6%	-34,20%
total:	tonnes	5,471.83	5,098.22	2,212.13	3,018.91	-56,6%	36,47%

305-1 **IV. Emissions of CO₂**

305-2

305-4

CO ₂ e emissions	UM	2018	2019	2020
Mostostal Kraków S.A.				
direct emission (scope 1)	tonnes	1,481.60	1,348.45	1,235.98
indirect emission (scope 2)	tonnes	1,570.91	1,322.76	2,010.43
total:	tonnes	3,052.51	2,671.21	3,246.41
efficiency	tonne/PLN million***	-	-	-
Budimex Nieruchomości Sp. z o.o.				
direct emission (scope 1)	tonnes	599.38	1,108.83	no data
indirect emission (scope 2)	tonnes	775.80	1,226.18	no data
total:	tonnes	1,375.18	2,335.01	no data
efficiency	tonne/PLN million***	-	-	-
FBSerwis S.A.*				
direct emission (scope 1)	tonnes		6,754.82	8,145.70
indirect emission (scope 2)	tonnes		2,995.10	3,186.59
total:	tonnes		9,749.92	11,332.30
efficiency	tonne/PLN million***		-	-
Budimex S.A.**				
direct emission (scope 1)	tonnes	76,474.80	64,041.40	79,645.38
indirect emission (scope 2)	tonnes	19,330.69	14,958.57	15,659.49
total:	tonnes	95,805.49	78,999.97	95,304.87
efficiency	tonne/PLN million***	13.51	10.76	12.69

* Data for 2019 concerning the FB Serwis Group are estimates for the beginning of February 2020 and were not verified by an independent auditor.

** Emissions for 2020 calculated using the market-based method, i.e. the specific emission indicators were assumed for known energy suppliers. For other entities and years, the Budimex Group assumed average rates for Poland.

*** refers to the production value

303-3 **V. Total water extraction**

Water by source	UM	Budimex Group*		Budimex S.A.	
		2019	2020	2019	2020
water from the network	m ³	324,370.69	197,848.22	217,982.99	167,088.71
underground water	m ³	2,951.00	1,661.00	875	908
surface water	m ³	0	0.00	0	0
total	m ³	327,321.69	199,509.22	218,875.99	167,996.71

*Data for the Budimex Group include the following companies: Budimex S.A., Mostostal Kraków S.A., FBSerwis S.A.

306-3 **VI. Waste**

Main waste by type		Budimex Group*		Budimex S.A.	
		2019	2020	2019	2020
hazardous waste, including:					
waste code	waste type				
07 01 03*	organic halogenated solvents, washing liquids and mother liquors	0.239	0	0.239	0
08 01 11*	waste paint and varnish containing organic solvents or other hazardous substances	5.687	4.197	0	0.107
08 03 18	waste printing toner other than those mentioned in 08 03 17	0	0.021	0	0

13 02 05*	mineral engine oils, gear oils and lubricating oils	0	0.28	0	0
13 02 08*	other engine oils, gear oils and lubricating oils	2.820	12.52	2.82	4.8
13 05 08	mixtures of waste from grit chambers and oil/water separator	0	5.05	0	0
14 06 03*	other solvents and solvent mixtures	0	0	-	0
15 01 10*	packaging containing residues of hazardous substances	22.985	10.44	19.105	6.08
15 01 11*	high pressure packaging	0.849	0	0.849	0
15 02 02*	sorbents, filter materials and protective clothing contaminated by hazardous substances	20.912	3.76	19.172	2.22
16 01 07*	oil filters	0.313	0.59	0.283	0.59
16 02 13*	discarded equipment containing hazardous elements	0.384	1.53	0.264	0
16 05 06*	laboratory and analytical chemicals (e.g. chemical agents)	0.094	0.197	0.094	0.2
16 81 01*	waste displaying hazardous properties	0.5	0	0.5	0
17 02 04*	glass, plastic and wood waste containing or contaminated with dangerous substances (e.g. wooden railway sleepers)	780.834	1,353.4	780.834	1,353.4
17 05 03*	soil and stones containing hazardous substances	773.320	139.7	772.320	139.7
17 06 05*	building materials containing asbestos	51.34	3.11	51.34	3.11
17 09 03*	other construction, renovation and demolition waste (including mixed waste) containing hazardous substances	0	0.055	-	0.06
non-hazardous waste, including:					
waste code	waste type				
01 04 12	waste from washing and cleaning of minerals	495.54	0	495.54	0
07 02 99	waste not otherwise specified	1.21	1.23	0	0
12 01 01	ferrous metal filings and turnings	29.41	19.65	0	0
12 01 02	ferrous dust and particles	124.52	24.26	0	0
12 01 13	welding waste	1.47	2.05	0.9	0
12 01 21	used grinding bodies and grinding materials	3.50	1.49	2.7	0
15 01 01	paper and cardboard packaging	78.16	10,166.68	76.46	28.92
15 01 02	plastic packaging	51.51	6,222.36	50.92	55.1
15 01 03	wood packaging	279.36	34.66	279.36	25.84
15 01 04	metal packaging	0	3,133.61	0	0
15 01 05	composite packaging	no data	2,171.30	no data	no data
15 01 06	mixed packaging	75.17	121.32	75.14	48.79
15 01 07	glass packaging	0.42	6,258.32	0.42	0
15 02 03	sorbents, filter materials, wiping cloths (e.g. rugs, towels)	2.00	7.68	0.16	0.97
16 01 03	used tyres	3.53	378.89	3.53	29.11
16 01 19	plastics	0	35	0	6.85
16 01 20	glass	0.24	0.271	0.24	0.27
16 02 14	discarded equipment	1.49	6.45	1.40	1.39
16 02 16	components removed from discarded equipment	0.11	0.111	0.11	0
16 06 05	other batteries and accumulators	0	0.068	0	0
17 01 01	concrete waste and concrete rubble	62,916.32	35,956.77	62,904.60	35,954.77
17 01 02	brick rubble	24,497.86	10,481.31	24,497.86	10,478.47
17 01 03	waste of other ceramic materials and equipment elements	28.28	87.48	28.28	87.48
17 01 07	mixed concrete waste, brick rubble, waste ceramic materials	24,583.13	20,822.83	24,567.18	20,687.68
17 01 81	waste from road repairs and reconstructions	55,286.92	4,861.01	55,286.92	4,631.85
17 01 82	waste not otherwise specified	30.14	20.48	30.14	20.48
17 02 01	wood	3,759.89	968.67	3,759.89	968.67
17 02 02	glass	39.04	0	39.04	0

17 02 03	plastics	67.24	84.035	67.24	65.64
17 03 02	bituminous mixtures	2,261.42	38,673.79	2,261.42	38,673.69
17 03 80	waste tar	5,319.43	19.84	5,319.43	19.84
17 04 02	aluminium	no data	0.384	no data	no data
17 04 05	iron and steel	1,706.64	1,559.34	374.78	691.15
17 04 11	cables	0	8.82	0	8.82
17 05 04	soil and stones, other than those mentioned in 17 05 03	no data	5,754,128.86	no data	5,754,128.86
17 05 08	track ballast	50,025.48	76,738.54	50,025.48	76,738.54
17 06 04	insulation materials	745.28	126.14	738.06	121.45
17 09 04	mixed construction, renovation and demolition waste	9,091.55	8,375.20	9,085.09	8,291.98
19 05 03	off-specification compost (unsuitable for use)	no data	58,570.63	no data	no data
ex 19 05 03	off-specification compost (unsuitable for use)	no data	1,132.88	no data	no data
19 05 99	waste not otherwise specified	no data	62,347.784	no data	no data
19 12 02	ferrous metals	no data	704.55	no data	no data
19 12 04	plastics and rubber	no data	7,801.24	no data	no data
19 12 05	glass	no data	2,076.72	no data	no data
19 12 07	wood other than that mentioned in 19 12 06.	no data	14.74	no data	no data
19 12 10	combustible waste (alternative fuel)	no data	63,777.28	no data	no data
19 12 12	waste from mechanical waste treatment	0	136,966.67	0	0
20 01 36	discarded electrical and electronic equipment other than that mentioned in 20 01 21, 20 01 23 and 20 01 35	no data	48	no data	no data
20 02 01	biodegradable waste	no data	63.64	no data	no data
20 03 01	mixed municipal waste	no data	1,350.59	no data	no data
20 03 03	street-cleaning residues	no data	3,034.97	no data	no data
20 03 06	waste from sewer manholes	no data	11.52	no data	no data
20 03 07	bulky waste	no data	3,385.84	no data	no data

*Data for the Budimex Group include the following companies: Budimex S.A., Mostostal Kraków S.A., FBSerwis S.A.

Activity in areas of high natural value

304-1 304-3 Activities conducted on valuable natural areas or in their vicinity

Contract name	Work commencement date	Protected areas
Extension of S3/A6 motorway section Kijewo – Rzęśnia (without the junction) – completing the construction of the ecological pass over the A6 motorway, including fencing	18/08/2020	Szczecin Landscape Park “Beech Woods” buffer zone
The construction of the gas pipeline for the connection of the transmission systems of the Republic of Poland and Slovak Republic with the necessary infrastructure for its operation: Strachocina – Polish Border pipeline.	19/07/2019	Natura 2000 sites: Bieszczady PLC180001, Beskid Niski PLB180002, Dorzecze Górnego Sanu PLH180021, Ostoja Jałiska PLH180014
Task IV.2 Construction of the Vistula collector – stage II	01/08/2020	Natura 2000 sites: Dolina Środowej Wisły PLB 140004 Lasek Bielański PLH 140041
Construction of Goleniów – Lwówek DN1000 gas pipeline; Stage I – Goleniów – Ciecierzyc gas pipeline	19/10/2020	Natura 2000 sites: Krąpiel Valley PLH320005, Barlinek Forest PLB080001, Barlinek Refuge PLH080071, Lower Noteć Valley PLB080002, Protected landscape areas: C (Barlinek), Barlinek Forest, Warta and Lower Noteć Valley, Ecological use: Blue ecological corridor of the Ina River bed and its tributaries – II

Design and construction of the S61 expressway, Augustów bypass – state border, section: end of the Suwałki bypass – Budzisko with the Szypliszek bypass	01/08/2020	The Protected Landscape Area of the North Suwałki Lake District
Design and construction of the S61 expressway Szczuczyn – Budzisko (state border), Task 3: section Wysokie junction – Raczki	04/07/2018	Rajgrodzkie Lake Nature Park
Works on railway line No. 7 Warszawa Wschodnia Osobowa – Dorohusk on the section Warszawa–Otwock–Dęblin–Lublin, section Otwock–Lublin	05/10/2017	PLH140022 Bagna Celestynowskie – jezioro Celestyn, Natura 2000 area: “Rogalec” nature reserve – protection of tree stands in the habitats of alder and riparian forests “Polesie Rowskie” nature reserve – peat bog ecosystems
Performance of modernisation works on railway line No. 7 on the section Dęblin – Nałęczów at km 107.283 km to km 146.320	01/04/2019	PLB140004 Dolina Środkowej Wisły – OSO (Natura 2000) PLH060051 Dolny Wieprz – SOO (Natura 2000) PLH060055 Puławy – SOO (Natura 2000)
Completion of the construction of the Racibórz Dolny Flood Protection Reservoir	08/01/2018	PLB240003 Special Protection Area for Birds, Natura 2000 Wielikąt Ponds and Tworków Forest PLH240040 Special Area of Habitat Conservation, Natura 2000 Forest near Tworków 3150 Oxbow lakes and natural eutrophic water reservoirs with Nymphaeion Potamion communities 6410 Variable wet Molinion meadows 91FO Oak, elm and ash riparian forests (Ficario–Ulmetum) 3260 Lowland and mountain rivers with water–crowfoot communities 91EO Willow, poplar, alder and ash riparian forests (Salicetum albae, Populetum albae, alnenion glutinoso–incanae, alder forests on percolating mires) 6510 Lowland and mountain fresh meadows, extensively used (Arrhenatherion elatioris) Wielikąt Nature and Landscape Complex
Construction of flood embankments and reconstruction of Czarny Kanał and Racza Struga	29/09/2020	PLH080013 Natura 2000 – “Stubice Riparian Forests” PLB080004 Natura 2000 – “Middle Oder Valley” Protected landscape area “15–Stubice Oder Valley” “Riparian Forests near Stubice” Nature Reserve 91FO Oak, elm and ash riparian forests (Ficario–Ulmetum) 91EO Willow, poplar, alder and ash riparian forests (Salicetum albae, Populetum albae, alnenion glutinoso–incanae, alder forests on percolating mires) 3270 Flooded silty river banks 3150 Oxbow lakes and natural eutrophic water reservoirs
Reconstruction of the Oder River regulatory structures – adaptation to the 3rd class of waterway on the section from Ścinawa to the estuary of Nysa Łużycka	16/03/2020	PLB080004 Natura 2000 – “Middle Oder Valley” PLH080028 Krosno Oder Valley (Natura 2000 sites of Community importance) PLH020018 “Oder Riparian Forests” PLH080012 “Kargowa Oder Bends” (Natura 2000) PLH08001 “Nowa Sól Oder Valley” (Natura 2000) Protected Landscape Area “18–Krosno Oder Valley” Protected Landscape Area “21–Nowa Sól Oder Valley”.
Performance of construction works and preparation of the detailed design on the section Podg. Most Wisła – Czechowice – Dziedzice – Zabrzeg line 139 Czechowice–Dziedzice	11/10/2019	PLB240001 “Dolina Górnej Wisły” Special Protection Area for Birds, Natura 2000
Design and construction of the S19 expressway along the section from the Nisko Południe junction (without the junction) to the Sokółów Małopolski Północ (with the junction) with a division into three tasks: Task “C” from the “Kamień” junction (junction included) to the “Sokółów Małopolski Północ” junction	21/12/2018	9110 Acid beech forest
5A01 Structure and equipment of Umicore Nysa	06/07/2020	Natura 2000 sites: “Nysa Reservoir” PLB160002 The areas of the Nysa Reservoir are protected, mainly the breeding sites of the black–headed gull.

5AN7 Świnoujście Ferry Terminal	27/01/2020	Natura 2000 sites: “Wolin and Uznam” PLH320019 Habitat protection area “Świna Delta” PLB320002 Special Protection Area for Birds (PLB) Area of the Wolin National Park
5AN9 Polimery Police	01/06/2020	Natura 2000 sites: “Police-canal” PLH320015 The habitats of bats are protected.

Preventing corruption

205-2 205-3 Anti-corruption issues

	2019	2020
number of confirmed corruption incidents	0	0
number of training courses within the scope of anti-corruption policies and procedures	10	1
Percentage of employees familiar with anti-corruption policies and procedures	100%	100%
number and percentage of people holding managerial positions and having a function of superiors who completed anti-corruption training	100%	100%
percentage of suppliers familiar with anti-corruption policies and regulations (contractual provisions)	100%	100%

Violations of human rights

406-1 412-3 Issues related to human rights violations

	2019	2020
number of confirmed cases of human rights violations	0	0
number of questionnaires analysed (suppliers)	885	820
number of final surveys analysed (suppliers)	1,420	694

Index GRI



Number of the indicator	Indicator name	Comments/place in the report
GENERAL STANDARD DISCLOSURES		
GRI 102 general standard disclosures 2016		
Organisational profile		
GRI 102-1	Organisation name	<ul style="list-style-type: none"> Budimex Group
GRI 102-2	Primary brands, products and/or services	<ul style="list-style-type: none"> Market activity
GRI 102-3	Location of the organisation's main seat	<ul style="list-style-type: none"> ul. Siedmiogrodzka 9, 01-204 Warszawa
GRI 102-4	Number of countries in which the organization operates and names of these countries	<ul style="list-style-type: none"> Market activity
GRI 102-5	Ownership form and legal structure of the organisation	<ul style="list-style-type: none"> Capital group with parent Spółka Akcyjna (joint-stock company) listed on the Warsaw Stock Exchange Structure
GRI 102-6	Markets supported	<ul style="list-style-type: none"> Road construction Railway construction Water construction Power plant construction Housing construction Public-private partnership
GRI 102-7	Scale of activity	<ul style="list-style-type: none"> Budimex in numbers Employment
GRI 102-8	Information on employees	<ul style="list-style-type: none"> Employment
GRI 102-9	Value chain	<ul style="list-style-type: none"> Supply chain Risk management in the supply chain
GRI 102-10	Significant changes in the organization and its supply chain	<ul style="list-style-type: none"> Structure Supply chain
GRI 102-11	Precautionary principle	<ul style="list-style-type: none"> Introduction Impact on the local environment and biodiversity
GRI 102-12	External initiatives adopted by the organisation	<ul style="list-style-type: none"> Diversity Charter Agreement for Safety in Construction
GRI 102-13	Membership in associations	<ul style="list-style-type: none"> Membership in organisations
Strategy		

GRI 102-14	Statement of top management	<ul style="list-style-type: none"> Letter from the President
Ethics and honesty		
GRI 102-16	Values, principles, standards and norms of conduct in the organisation	<ul style="list-style-type: none"> Mission and strategy
GRI 102-17	Internal and external mechanisms for obtaining advice on ethical, legal and integrity-related conduct	<ul style="list-style-type: none"> Whistleblowing system
Management		
GRI 102-18	Supervisory structure of the organisation together with committees subordinated to the highest supervisory body	<ul style="list-style-type: none"> Management governance
GRI 102-22	Number and sex of members of the Supreme Supervisory/Management Board and its committees	<ul style="list-style-type: none"> Management governance
GRI 102-23	Chair of the highest governance body	<ul style="list-style-type: none"> Management governance
GRI 102-26	Role of the highest management body in defining objectives, values and development strategies of the organisation	<ul style="list-style-type: none"> Sustainability management
Stakeholder engagement		
GRI 102-40	List of stakeholder groups in the organisation	<ul style="list-style-type: none"> Stakeholders
GRI 102-41	Percentage of employees covered by collective agreements	<ul style="list-style-type: none"> Employment
GRI 102-42	Identification and selection of stakeholders engaged by the organisation	<ul style="list-style-type: none"> Stakeholders
GRI 102-43	Approach to stakeholder engagement	<ul style="list-style-type: none"> Importance of issues in the report
GRI 102-44	Key issues and problems raised by stakeholders	<ul style="list-style-type: none"> Stakeholders
Information about the report		
GRI 102-45	List of entities covered by the consolidated financial statements	<ul style="list-style-type: none"> Information about the report
GRI 102-46	Process for defining the report content	<ul style="list-style-type: none"> Importance of issues in the report
GRI 102-47	Significant aspects identified in the process of defining the content of the report	<ul style="list-style-type: none"> Importance of issues in the report
GRI 102-48	Adjustments to the previous report and reasons for adjustments	<ul style="list-style-type: none"> None
GRI 102-49	Significant changes compared to the previous report	<ul style="list-style-type: none"> None
GRI 102-50	Reporting period	<ul style="list-style-type: none"> Information about the report
GRI 102-51	Date of publication of the last report	<ul style="list-style-type: none"> Information about the report
GRI 102-52	Reporting cycle	<ul style="list-style-type: none"> Information about the report
GRI 102-53	Kontakt w sprawie raportu	<ul style="list-style-type: none"> Aldona Orłowski Director of the Office of Recruitment, Development and Communications of Budimex S.A. ul. Siedmiogrodzka 9, 01-204 Warsaw, Poland; aldona.orlowski@budimex.pl tel.: (+48) 22 623 60 00
GRI 102-54	Oświadczenie dotyczące raportowania zgodnie z GRI Standards	<ul style="list-style-type: none"> Information about the report
GRI 102-55	Indeks treści GRI	<ul style="list-style-type: none"> GRI Index
GRI 102-56	Weryfikacja zewnętrzna	<ul style="list-style-type: none"> Information about the report
SPECIFIC DISCLOSURES ON MATERIAL TOPICS		
Economic aspects		
Market presence		
GRI 103-1	Explanation of topics identified as significant with indication of limitations	<ul style="list-style-type: none"> Introduction Market environment and growth perspectives
GRI 103-2	Management approach and its elements	<ul style="list-style-type: none"> Introduction Market environment and growth perspectives
GRI 103-3	Evaluation of the management approach	<ul style="list-style-type: none"> Introduction Market environment and growth perspectives
GRI 202-1	Ratio of remuneration of the lowest level employees by gender to the minimum wage in the relevant market in the main business locations	<ul style="list-style-type: none"> Employment
Indirect economic impact		
GRI 103-1	Explanation of topics identified as significant with indication of limitations	<ul style="list-style-type: none"> Significant investments made in 2020
GRI 103-2	Management approach and its elements	<ul style="list-style-type: none"> Significant investments made in 2020

GRI 103-3	Evaluation of the management approach	<ul style="list-style-type: none"> Significant investments made in 2020
GRI 203-1	Development and impact of investments in infrastructure and services	<ul style="list-style-type: none"> Significant investments made in 2020
Prevention of corruption		
GRI 103-1	Explanation of topics identified as significant with indication of limitations	<ul style="list-style-type: none"> Whistleblowing system
GRI 103-2	Management approach and its elements	<ul style="list-style-type: none"> Whistleblowing system
GRI 103-3	Evaluation of the management approach	<ul style="list-style-type: none"> Whistleblowing system
GRI 205-1	Total number and percentage of business units analysed for corruption risk and main identified risks	<ul style="list-style-type: none"> Ethical integrity
GRI 205-2	Percentage of employees trained within the scope of the organisation's anti-corruption policies and procedures	<ul style="list-style-type: none"> Preventing corruption
GRI 205-3	Confirmed cases of corruption and actions taken	<ul style="list-style-type: none"> Preventing corruption
Anti-competition behaviour		
GRI 103-1	Explanation of topics identified as significant with indication of limitations	<ul style="list-style-type: none"> Compliance management
GRI 103-2	Management approach and its elements	<ul style="list-style-type: none"> Compliance management
GRI 103-3	Evaluation of the management approach	<ul style="list-style-type: none"> Compliance management
GRI 206-1	Legal steps taken against the organisation due to violations of the principles of free competition and monopolistic practices	<ul style="list-style-type: none"> Compliance management
Environmental aspects		
Finished and raw materials		
GRI 103-1	Explanation of topics identified as significant with indication of limitations	<ul style="list-style-type: none"> Finished and raw materials
GRI 103-2	Management approach and its elements	<ul style="list-style-type: none"> Finished and raw materials
GRI 103-3	Evaluation of the management approach	<ul style="list-style-type: none"> Finished and raw materials
GRI 301-1	Materials/raw materials used by weight or volume	<ul style="list-style-type: none"> Raw materials and waste
GRI 301-2	Processed starting materials used	<ul style="list-style-type: none"> Raw materials and waste
Energy		
GRI 103-1	Explanation of topics identified as significant with indication of limitations	<ul style="list-style-type: none"> Climate change, fuel and energy consumption
GRI 103-2	Management approach and its elements	<ul style="list-style-type: none"> Climate change, fuel and energy consumption
GRI 103-3	Evaluation of the management approach	<ul style="list-style-type: none"> Climate change, fuel and energy consumption
GRI 302-1	Energy consumption (electricity, heat, cooling, steam) inside the organisation - from renewable and non-renewable sources	<ul style="list-style-type: none"> Raw materials and waste
GRI 302-3	Intensity of energy consumption	<ul style="list-style-type: none"> Raw materials and waste
Water and sewage		
GRI 103-1	Explanation of topics identified as significant with indication of limitations	<ul style="list-style-type: none"> Finished and raw materials
GRI 103-2	Management approach and its elements	<ul style="list-style-type: none"> Finished and raw materials
GRI 103-3	Evaluation of the management approach	<ul style="list-style-type: none"> Finished and raw materials
GRI 303-3	Water withdrawal	<ul style="list-style-type: none"> Raw materials and waste
Biodiversity		
GRI 103-1	Explanation of topics identified as significant with indication of limitations	<ul style="list-style-type: none"> Introduction Impact on the local environment and biodiversity
GRI 103-2	Management approach and its elements	<ul style="list-style-type: none"> Introduction Impact on the local environment and biodiversity
GRI 103-3	Evaluation of the management approach	<ul style="list-style-type: none"> Introduction Impact on the local environment and biodiversity
GRI 304-1	Establishments owned, rented, managed or adjacent to protected areas or areas of high biodiversity value located outside protected areas	<ul style="list-style-type: none"> Activity in areas of high natural value
GRI 304-2	Description of a significant impact of activities, products, and services on biodiversity of protected areas and areas of high biodiversity value outside the protected areas	<ul style="list-style-type: none"> Introduction Impact on the local environment and biodiversity
GRI 304-3	Siedliska chronione lub zrewitalizowane	<ul style="list-style-type: none"> Activity in areas of high natural value
Emissions		
GRI 103-1	Explanation of topics identified as significant with indication of limitations	<ul style="list-style-type: none"> Climate change, fuel and energy consumption

GRI 103-2	Management approach and its elements	<ul style="list-style-type: none"> Climate change, fuel and energy consumption
GRI 103-3	Evaluation of the management approach	<ul style="list-style-type: none"> Climate change, fuel and energy consumption
GRI 305-1	Direct greenhouse gas emissions (from sources owned or controlled by the reporting organisation)	<ul style="list-style-type: none"> Raw materials and waste
GRI 305-2	Indirect greenhouse gas emissions (resulting from the generation of electricity, heat, cooling and steam consumed by the organisation)	<ul style="list-style-type: none"> Raw materials and waste
GRI 305-4	Greenhouse gas intensity	<ul style="list-style-type: none"> Raw materials and waste
Waste		
GRI 103-1	Explanation of topics identified as significant with indication of limitations	<ul style="list-style-type: none"> Waste management
GRI 103-2	Management approach and its elements	<ul style="list-style-type: none"> Waste management
GRI 103-3	Evaluation of the management approach	<ul style="list-style-type: none"> Waste management
GRI 306-3	Manufactured waste	<ul style="list-style-type: none"> Raw materials and waste
Compliance with environmental regulations		
GRI 103-1	Explanation of topics identified as significant with indication of limitations	<ul style="list-style-type: none"> Nature conservation in the supply chain
GRI 103-2	Management approach and its elements	<ul style="list-style-type: none"> Nature conservation in the supply chain
GRI 103-3	Evaluation of the management approach	<ul style="list-style-type: none"> Nature conservation in the supply chain
GRI 307-1	The amount of significant fines and total number of non-financial sanctions for non-compliance with environmental laws and regulations	<ul style="list-style-type: none"> Nature conservation in the supply chain
Environmental assessment of suppliers		
GRI 103-1	Explanation of topics identified as significant with indication of limitations	<ul style="list-style-type: none"> Nature conservation in the supply chain
GRI 103-2	Management approach and its elements	<ul style="list-style-type: none"> Nature conservation in the supply chain
GRI 103-3	Evaluation of the management approach	<ul style="list-style-type: none"> Nature conservation in the supply chain
GRI 308-1	Percentage of new suppliers who were assessed with regard to fulfilling environmental criteria	<ul style="list-style-type: none"> Nature conservation in the supply chain
GRI 308-2	Significant actual and potentially negative environmental impacts in the supply chain and actions taken	<ul style="list-style-type: none"> Nature conservation in the supply chain
Social aspects		
Employment		
GRI 103-1	Explanation of topics identified as significant with indication of limitations	<ul style="list-style-type: none"> Introduction Working environment and focus on growth
GRI 103-2	Management approach and its elements	<ul style="list-style-type: none"> Introduction Working environment and focus on growth
GRI 103-3	Evaluation of the management approach	<ul style="list-style-type: none"> Introduction Working environment and focus on growth
GRI 401-1	Total number and employment rates of new employees and employee turnover by age group, sex and region	<ul style="list-style-type: none"> Employment
GRI 401-2	Benefits provided to full-time employees which are not entitled to temporary or part-time employees, broken down into main business locations (e.g. insurance, health care, etc.)	<ul style="list-style-type: none"> Social package
GRI 401-3	Return to work and retention rates after maternity/paternity leave broken down by gender	<ul style="list-style-type: none"> Employment
OHS		
GRI 103-1	Explanation of topics identified as significant with indication of limitations	<ul style="list-style-type: none"> Introduction Conditions, occupational health and safety (OHS)
GRI 103-2	Management approach and its elements	<ul style="list-style-type: none"> Introduction Conditions, occupational health and safety (OHS)
GRI 103-3	Evaluation of the management approach	<ul style="list-style-type: none"> Introduction Conditions, occupational health and safety (OHS)
GRI 403-1	Occupational health and safety management system	<ul style="list-style-type: none"> Introduction Conditions, occupational health and safety (OHS)
GRI 403-2	Hazard identification, risk assessment and accident investigation.	<ul style="list-style-type: none"> Introduction Conditions, occupational health and safety (OHS)
GRI 403-3	Occupational health services	<ul style="list-style-type: none"> Introduction Conditions, occupational health and safety (OHS)

GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	<ul style="list-style-type: none"> • Introduction • Conditions, occupational health and safety (OHS)
GRI 403-5	Training for employees regarding occupational health and safety	<ul style="list-style-type: none"> • OHS training and prevention
GRI 403-6	Promotion of worker health	<ul style="list-style-type: none"> • OHS training and prevention
GRI 403-7	Preventing and mitigating effects on health and safety at work	<ul style="list-style-type: none"> • OHS training and prevention
GRI 403-8	Employees covered by occupational health and safety management systems	<ul style="list-style-type: none"> • OHS management system
GRI 403-9	Work-related injuries	<ul style="list-style-type: none"> • Accidents and illnesses at work
GRI 403-10	Work-related health problems	<ul style="list-style-type: none"> • Accidents and illnesses at work
Training and education		
GRI 103-1	Explanation of topics identified as significant with indication of limitations	<ul style="list-style-type: none"> • Development and training
GRI 103-2	Management approach and its elements	<ul style="list-style-type: none"> • Development and training
GRI 103-3	Evaluation of the management approach	<ul style="list-style-type: none"> • Development and training
GRI 404-1	Average number of training hours per year per employee broken down by sex and category of employees	<ul style="list-style-type: none"> • Employment
GRI 404-2	Managerial skills development and continuing education programmes that support the continuity of employment of employees and facilitate management of the end of career	<ul style="list-style-type: none"> • Development and training
Diversity and equal opportunities		
GRI 103-1	Explanation of topics identified as significant with indication of limitations	<ul style="list-style-type: none"> • Diversity management
GRI 103-2	Management approach and its elements	<ul style="list-style-type: none"> • Diversity management
GRI 103-3	Evaluation of the management approach	<ul style="list-style-type: none"> • Diversity management
GRI 405-1	Composition of governance bodies and staff divided into categories according to gender, age, minority, and other diversity indicators	<ul style="list-style-type: none"> • Diversity
GRI 405-2	Ratio of basic salary and remuneration of women and men broken down by employee categories and main business locations	<ul style="list-style-type: none"> • Diversity
Non-discrimination		
GRI 103-1	Explanation of topics identified as significant with indication of limitations	<ul style="list-style-type: none"> • Respect for human rights
GRI 103-2	Management approach and its elements	<ul style="list-style-type: none"> • Respect for human rights
GRI 103-3	Evaluation of the management approach	<ul style="list-style-type: none"> • Respect for human rights
GRI 406-1	Total number of cases of discrimination (incidents of a discriminatory nature) and corrective actions taken	<ul style="list-style-type: none"> • Violations of human rights
Human rights		
GRI 103-1	Explanation of topics identified as significant with indication of limitations	<ul style="list-style-type: none"> • Respect for human rights
GRI 103-2	Management approach and its elements	<ul style="list-style-type: none"> • Respect for human rights
GRI 103-3	Evaluation of the management approach	<ul style="list-style-type: none"> • Respect for human rights
GRI 411-1	Incidents of violations involving rights of indigenous peoples	<ul style="list-style-type: none"> • Zarządzanie zgodnością
GRI 412-3	Total number and percentage of important investment agreements that include human rights provisions or that have been checked for compliance with human rights	<ul style="list-style-type: none"> • Violations of human rights
Local communities		
GRI 103-1	Explanation of topics identified as significant with indication of limitations	<ul style="list-style-type: none"> • Introduction • Social activities and relationships with communities
GRI 103-2	Management approach and its elements	<ul style="list-style-type: none"> • Introduction • Social activities and relationships with communities
GRI 103-3	Evaluation of the management approach	<ul style="list-style-type: none"> • Introduction • Social activities and relationships with communities
GRI 413-1	Percentage of sites with implemented community engagement programmes, impact assessments and development programmes (social impact assessments, local community development, consultations, stakeholder engagement)	<ul style="list-style-type: none"> • Introduction • Social activities and relationships with communities
GRI 413-2	Actions with significant real and potentially negative impacts on local communities	<ul style="list-style-type: none"> • Introduction • Social activities and relationships with communities

Social assessment of the supplier

GRI 103-1	Explanation of topics identified as significant with indication of limitations	• Risk management in the supply chain
GRI 103-2	Management approach and its elements	• Risk management in the supply chain
GRI 103-3	Evaluation of the management approach	• Risk management in the supply chain
GRI 414-1	New suppliers who have been checked to meet social criteria	• Risk management in the supply chain
GRI 414-2	Negative social impacts in the supply chain and actions taken	• Risk management in the supply chain

Client health and safety

GRI 103-1	Explanation of topics identified as significant with indication of limitations	• Quality management
GRI 103-2	Management approach and its elements	• Quality management
GRI 103-3	Evaluation of the management approach	• Quality management
GRI 416-1	Impact of products and services on client health and safety	• Quality management
GRI 416-2	Cases of non-compliance concerning the health and safety impact of products and services	• Quality management

Prevention of non-compliance in products and services

GRI 103-1	Explanation of topics identified as significant with indication of limitations	• Quality management
GRI 103-2	Management approach and its elements	• Quality management
GRI 103-3	Evaluation of the management approach	• Quality management
GRI 417-2	Incidents of non-compliance concerning product and service information and labeling	• Quality management
GRI 419-1	The amount of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	• Quality management

Sector Supplement

CRE6	Percentage of the organisation operating in compliance with international OHS management systems (e.g. ISO 18000)	• Introduction Conditions, occupational health and safety (OHS)
CRE8	Sustainability certification for new constructions, operation of existing constructions and dismantling of demolished constructions	• Significant investments made in 2020