

Communication
on Progress 2012



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Ladies and Gentlemen

We are pleased to present you with our second report on the progress of our activities which stem from the 10 principles of the UN Global Compact initiative.



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I am aware that Budimex still needs to face up to a number of challenges in terms of its sustainable development and corporate social responsibility, both of which we want to fully embrace. However, since the UN Secretary General himself joined the initiative, we have managed to make substantial headway and I am confident that the time and resources we have dedicated to our activity in these areas will translate into measureable long-term advantages.

Budimex was the first general contracting company in Poland to issue a corporate social responsibility report in 2001, attaining a B+ on the GRI standard, and which was subject to independent external verification.

Since last year, we have been pursuing the goals we had set for ourselves for the years 2011-2012, which constitute an amendment to the Budimex "CSR policy", officially adopted across the Group. Goals related directly to the execution of the 10 Global Compact principles include Budimex Group's adoption of the Code of Ethics and the implementation of related control mechanisms – including the appointment of an Ethics Committee, which examines cases of possible infringement of the Code's provisions. By means of including appropriate clauses in our contracts with suppliers and subcontractors, we can influence them so that they comply with our ethical and environmental standards. Direct tools which help us to achieve that goal are audits of our business partners.



Our original social responsibility programme, known as the “ICE Intercom”, conducted in schools located near the sites where Budimex’s contracts are executed, promotes traffic safety rules and equips schoolchildren from grades 0-3 with ICE (In Case of Emergency) Cards. This is developing rapidly, with more than 6,000 children all over Poland now carrying ICE cards on their backpacks in reflective cases.

Voluntary work projects targeted at local communities have now become a fixture in our calendar of corporate events. In 2011 we ran 6 campaigns, involving 775 employees.

The high quality of our business management is confirmed by our steady presence among companies included in

the RESPECT Index, which focuses on the securities of the most responsibly managed Polish publicly-listed companies. The Warsaw Stock Exchange reviews the index every six months.

The activities which stem from the 10 principles of the Global Compact are now part of our organization, and I am convinced that if we follow the path of sustainable development, it will be only natural to comply with them in future as well.

Dariusz Blocher
President of the Management Board of Budimex SA



Human rights and Work standards

- Supporting and respecting human rights accepted by the international community.
- Eliminating any violations of human rights by the company.
- Respecting the freedom of association.
- Eliminating all forms of forced labour.
- Abolishing child labour.
- Effectively combating employment discrimination.

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Budimex respects the freedom of association of its employees. 3 trade unions operate within the Group. In 2011, employee delegates were not a party to any collective disputes with their employer. The Company has followed its

Code of Ethics since 2010. Last year, the Code was implemented across the whole Budimex Group.

In the section entitled “Areas of specific compliance with ethical values”, Budimex asserts that it “does not tolerate any form of discrimination or the imposition of any dominant worldview, especially on the grounds of gender, origin, religion, age, political views or the position held; in its everyday relationships with employees, the Company does not accept the invasion of privacy or the abuse of position to achieve private goals; the Company ensures

decent working conditions for its employees and creates an environment which opens broad opportunities for professional development and promotion; the Company also makes every effort to ensure that the organisation is open to people with various levels of professional experience”.

Compliance with the provisions of the Code of Ethics is supervised by the Ethics Committee, appointed by the Management Board of Budimex. The role of the Committee is to monitor the compliance of the applied professional ethics standards with the provisions of the Code of Ethics. The Committee examines cases of violation of the provisions of the Code and provides guidelines as regards complying with its principles, while at the same time maintain-



ing confidentiality standards. Each employee may notify the Committee anonymously of any cases of violation of the Code of Ethics. Among the cases brought before the Committee in 2011, there were no instances of employ-

ees complaining about employment discrimination or Budimex's violation of human rights.

All newly hired staff members are obliged to become acquainted with the provisions of the Code. In 2011, there were 1,264 such people.

The Budimex Work Rules, in Sections 2 and 5, safeguard the respect for human rights and counter-

act employment discrimination. Budimex does not employ children, as stipulated in Section 14 of the new Work Rules. In 2011, no cases of forced or child labour were detected at Budimex.



Natural environment

- A preventive approach to the natural environment.
- Undertaking initiatives to promote environmentally responsible attitudes.
- Applying and disseminating environmentally friendly technologies.



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Budimex follows Procedure “Environmental Management in Contracts”, intended to decrease the negative effect of the company’s construction works on the natural environment. Among the initiatives intended to promote environmentally responsible attitudes adopted in 2011 by Budimex, the following programmes are especially worth mentioning:

- Donate your phone to the EcoCollection
- Let’s save water!
- We are all saving electricity
- Let’s save paper in our offices

Due to the Company’s specific business profile, the programmes were intended for office workers, and

the basic dissemination platform was an internal information portal. The programme’s website registered 910 visits, with around 400 employees working in the offices.

In 2011 Budimex continued replacing its car fleet with new cars with top environmental performance. 227 vehicles were replaced, which allowed the company to save 204,300 litres of gas and to reduce CO2 emissions by 265,690 tons. Some of the materials used in construction works come from recycling. In 2011, the majority of recycled materials used in the construction process were ash and slag mixtures from the wet discharge of boiler grate residue



(576,766.4 tons), as well as cores and casting moulds from the iron casting process, free of hazardous substances (2,571.8 tons). Training programmes for the management team and environmental coordinators at newly opened construction projects are run on a regular basis. In 2011 almost 1,000 people took part in such environmental training programmes.

Preventing corruption

- Combating all forms of corruption, including extortion and bribery.



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B The Budimex management team participates in a special training programme addressing the issues of corruption, attempted corruption and intimidation, as well as safety as it is broadly understood. In 2011, 128 people participated in the training. In addition, the Budimex Group Code of Ethics includes provisions clearly condemning any form of corruption. According to the report on the activities of the Committee of Ethics of Budimex SA, in 2011 the Committee examined 9 cases. Most of them concerned activities which could be seen as attempts to corrupt a contract manager by subcontractors performing works under the contract. All such cases brought to the Committee's attention

were analysed and verified by the Internal Control Office or by employees of the Human Resources Management Department. The Ethics Committee decided to take measures which in future will make it possible to avoid similar unethical behaviour of the subcontractors or enable the use of measures which guarantee the appropriate protection of Budimex employees and make it possible to hold people responsible for their unethical actions. Templates of agreements used by Budimex include provisions ensuring the right to withdraw from an agreement if any corruption activities are detected. At the same time, a new manual was developed – "How to react to proposals of bribery



and cases of intimidation of employees”, which provides guidelines as to how to act if an employee is offered financial inducements for specific actions or refraining from action related to the execution of a particular contract, as well as in the case of intimidation.



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