

Statement by the Directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006

Updated 31 December 2022

The Board of Directors are presented with and review a wide range of papers relating to different stakeholders. The papers are discussed at Board meetings and form the basis by which policies and actions of the business are developed and, through this process, the Board have identified the key stakeholders. The Board consider that, both individually and together, they have acted in the way they consider, in good faith, would be most likely to promote the success of the Group for the benefit of its members as a whole in the decisions taken during the year and, in doing so, have had regard to the stakeholders and matters set out in s172(1) (a-f) of the Companies Act 2006.

The Board of Directors' intention is to behave responsibly and to ensure that management operate the business in a responsible manner to maintain a reputation for high standards of business conduct. The Board of Directors also recognise the importance of behaving fairly between the members of the company.

The Board of Directors aim to create a balance between the development of opportunities with our customers, stimulating and rewarding our staff, working with and supporting our local communities, sustaining the environment in which we operate, interact with and comply with policies of the relevant regulators and engage in positive relationships with lenders. The following disclosures describe how the Board of Directors has had regard to the matters set out in section 172(1) (a-f) in respect of the Group's stakeholders and forms the Directors' Statement required under Section 414CZA of The Companies Act 2006.

Engagement with Employees

We aim to create, develop and retain highly motivated people and teams who are equipped with the necessary competencies and skills to perform highly and who demonstrate our core values.

We support and engage with our people in a range of ways:

Stimulating positive and responsive communication

- Company news is always available to employees through the Company's intranet
- Conduct quarterly cascade team briefings to keep employees apprised of business performance and industry changes followed by Q&A opportunities
- Regularly circulate internal magazines and articles
- Provide a platform where the business can pose challenges to employees for ideas and where employees can also post other ideas or questions
- Conduct annual face to face Directors' presentations to encourage two-way communication
- Introduction of E-cards for employees to celebrate their colleagues' successes based on living our Core values.

Our ongoing commitment to the Great Place to Work® scheme also ensures we remain focused on the business benefits of high employee engagement, resulting in our business being an employer of choice for both existing and new colleagues.

Engagement is measured by a yearly employee survey and Culture Audit. The feedback we receive from employees is where we focus our attention to improve working practices for our colleagues. BUUK have ranked as one of the UK's Best Workplaces™ for five consecutive years and in two consecutive years have ranked in the UK's Best Workplaces™ for Women. In 2023 BUUK now also rank in the UK's Best Workplaces™ top 10 Super Large organisations for Wellbeing.

As a result of listening to our employees we have implemented the following initiatives:

- Enhanced Maternity, Paternity and Adoption Leave
- Dedicated Wellbeing Programme
- Volunteering Programme - Providing leave for colleagues to help with the local community or charities
- Science, Technology, Engineering & Maths (STEM) Programme -building bridges between education & employment
- Increased employee recognition for outstanding work linked to our Core values
- Discounted FitBits to encourage colleagues to be more active
- Aspiring Managers Programme
- Leadership & Management Programme

The feedback loop created by the communication has led to the development and enhancement of policies which enhance the working environment and benefits employees receive.

Supporting appropriate learning and development opportunities

- Offer a dual utility engineering apprenticeship scheme
- Offer a Graduate Development Programme
- Annual process to identify training needs backed by investment in development for staff

Supporting our staff to realise their full potential

- Offer a flexible employee benefits scheme
- Employee assistance programmes including stress counselling and medical information services
- Dedicated Health and Wellbeing Committee established
- Offer regular employee social events
- Maintaining a safe, healthy and sustainable working environment for our staff, those we work for and for the general public
- Work Safe, Home Safe platform for staff to commit to building a positive safety culture irrespective of role or responsibility
- Opportunities to work with the onHand charity partner to undertake volunteering opportunities during work time.

Equal opportunities

A fair and equal opportunities culture is operated throughout the Group. Employment opportunities, whether in the recruitment, training or promotion of employees, are granted on merit irrespective of race, colour, religion, national origin, age, gender, disability or sexual orientation.

Full consideration and equal opportunities are given to employment applications from disabled persons with due regard to the requirements of the job. Where existing employees become disabled, every effort is made to provide opportunities for continued employment within the Group supported with training and development as appropriate.

Business Relationships

We recognise the importance of engaging with the Group's suppliers and customers and the need to foster relationships with them.

Customers

- Customer satisfaction is closely monitored across the Group via two key metrics, Net Promoter Score (NPS) and Customer Effort Score (CES). Results of these surveys are used to recognise where we are making customer journeys difficult and ensure that we are adding value wherever possible.
- Customer feedback is reviewed by Senior Management continuously and used to create positive outcomes. A recent example has been increasing the number of GTC project managers to make it easier for customers to get in contact.

Suppliers

- Corporate social responsibility is a key selection and approval criteria for suppliers
- Group corporate social responsibility requirements are communicated to all suppliers and are accessible on our websites
- Collaborative working with suppliers is critical to the business, an example being the way a key supplier delivers stock to sites has been enhanced and automated to ensure stock is available at critical times.

Regulators

We have a positive relationship with our regulators and are focused on maintaining this and ensuring we act in a way which is open and transparent. We regularly liaise with our regulators at different levels and through a variety of “touch points” with regulatory and government departments to ensure the business evolves alongside any regulatory changes. Our engagement includes:

- Actively participating in strategic regulatory reviews through industry working groups, consultation responses and one to one meetings;
- Engaging with government departments and regulators on a one to one basis and through broader industry groups to promote industry change;
- Responding to regulatory consultations and requests for information;
- Meeting with regulators to promote industry change or to develop solutions to potential concerns;
- Hosting visits to our offices or to sites where we operate to demonstrate how our business model of operating in a multi-utility world brings value to customers.

The Board receive regular updates on regulatory interaction and are committed to complying with all relevant regulatory requirements and continue to closely monitor the status of our regulatory relationships, enhancing engagement across key regulatory changes.

Lenders

We actively engage with banks and other lenders to foster a strong relationship. The Board proactively ensures compliance with all borrowing covenants and has an open dialogue with lenders to manage the financing needs of the business.

- Proposals are prepared and reviewed with our lenders for all significant decisions pertinent to those lenders
- Lenders are kept up to date by sharing quarterly accounts and budget information

Communities and Environment

In the Global Real Estate Sustainability Benchmarking (GRESB) survey undertaken in 2022 BUUK achieved its highest ever score of 95% and was awarded five stars. BUUK were also recognised as sector leaders. The GRESB is the leading environmental, social and governance benchmark for retail and infrastructure investments across the world with this year’s survey including 649 companies from 71 countries.

BUUK recognises the impacts that it has on the community and the environment and seeks to make a positive difference in the places where it operates. In 2022:

- 235 employees were actively involved in volunteering activities, undertaking 1,225 community and environmental ‘missions’ including planting 1,923 trees.
- BUUK ambassadors promoted STEM subjects and opportunities at schools and university events.
- Gave work experience opportunities to six students from local schools and had five people on new apprenticeships.
- Developed a new decarbonisation plan for BUUK Energy Centres, a major source of Scope 1 emissions.
- All offices and depots, where BUUK control the electricity contractual arrangements, now on 100% renewably sourced supply contracts, with Energy Centres using 50% renewable supplies.
- Energy Savings Opportunities Scheme (ESOS) has been implemented at Head Office.
- The first iteration of Net Zero Carbon by 2050 roadmap has been completed and work is ongoing to implement the emissions reduction measures identified.
- Promotion of electric vehicles in BUUK’s fleet, with EV charging points for staff and visitors at Head Office.
- Continuing sector-leading project to reduce unnecessary plastic packaging in BUUK’s supply chain.
- Continued partnership with an IT provider to collect end of life IT assets. In 2022 149 computers, laptops and tablets were restored and reused, including some by charities.

- We have sourced a sustainable service provider in relation to end-of-life gas meters, which results in 98% of all constituent materials being recycled and reused.
- A new Climate Change Adaptation Plan was developed in 2022 and work is ongoing to mitigate the future risks.
- Maintained ISO 14001 environmental accreditation, with no areas for corrective or improvement action identified.