

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

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, interacting with and complying with policies of the relevant regulators and engaging 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 employees can post ideas or questions for the attention of the business
- Conduct annual face to face Directors presentations to encourage two-way communication
- Continued use of E-cards to celebrate colleagues' successes, based on living our company 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 six consecutive years, in three consecutive years have ranked in the UK's Best Workplaces™ for Women, and in two consecutive years have ranked 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 company values
- Discounted FitBits to encourage colleagues to be more active
- Aspiring Managers Programme
- Leadership & Management Programme
- Health MOTs
- Armed Forces Community Network
- Refreshed company values, focusing on wellbeing and key areas for our employees and stakeholders

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
- Offer an Apprenticeship Scheme for IT, Design and Fibre
- Continual conversations encouraged between managers and team members
- 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 environment for our staff, those we work for and the general public
- Work Safe, Home Safe platform for staff to build 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 fostering relationships with them.

Customers

Customer Experience and our core value of Being a Customer Champion is at the centre of everything that BUUK does. In 2023, customer journey focus groups were set up to monitor, review and seek to improve customer journeys where necessary. There are two key metrics that are monitored across the Group: Customer Effort Score (CES) and Net Promoter Score (NPS). Surveys target customer touch points across all customer journeys, enabling us to identify specific areas where there is increased effort for customers, so that targeted improvement can be made.

Customer feedback is reviewed by Senior Management continuously and disseminated to all journey owners in various formats. Key effort areas for our customers that have been identified during 2023 have been: material delivery, collection of excess materials and retail billing. Improvement plans are in place and the success of these will be monitored back through our surveys, as a continuous cycle of improving customer journeys.

Suppliers

- Positive relationships with key suppliers have been integral to the ever-improving performance of our supply chains, with stock availability and replenishment rates optimised to support delivery to our customers.
- Environmental, Social and Governance (ESG) factors are foremost in the decision-making processes relating to both the onboarding of new suppliers, and to the selection for works under tender.
- Our commitment to the highest ESG standards are communicated to all suppliers, and accessible on our website.

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 2023 BUUK achieved its highest ever score of 97% 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 687 companies from 72 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 2023:

- 400 employees were actively involved in volunteering activities, undertaking 2,058 community and environmental 'missions' including planting 363 trees.
- BUUK ambassadors promoted STEM subjects and opportunities at 10 schools and university events in 2023, with almost 6,000 students attending between the ages of 14-24 years old.
- BUUK gave work experience opportunities to six students from local schools. Two employees completed their apprenticeships and moved into permanent roles, with a further two people joining on new apprenticeships.
- Continued implementation of our major Work Safe Home Safe cultural change initiative with an increased focus on Wellbeing.
- Further development on a decarbonisation plan for BUUK Energy Centres, a major source of Scope 1 emissions.
- Creation of a high-level steering group to drive and monitor progress towards the implementation of BUUK's objective to reach net-zero directly controlled carbon emissions by 2040.
- Completion of a consultancy study on the decarbonisation of BUUK's major fleet.
- There has been a significant increase in the number of electric vehicles and hybrid vehicles in BUUK's fleet.
- Implementation of major plastic packaging initiatives, leading to reductions of a further 28 tonnes of waste per annum. BUUK received a packing industry innovation award for a box that we co-designed and developed to replace plastic resin boxes.
- Improvement in waste landfill avoidance rates from 61% in 2022 to 95% in 2023.

Communities and Environment (continued)

- Continued partnership with an IT provider to collect end of life IT assets. In 2023 451 computers, laptops, and tablets were restored and reused, including some by charities, and 276 were recycled.
- Creation of a high-level Climate Change steering group to ensure all climate change risks are reviewed and appropriate mitigating actions are put in place across the Group.
- Development of BUUK's first annual Sustainability Report, outlining our Environmental, Social and Governance commitments. This report was made available to all stakeholders via the BUUK website.
- Maintained ISO 14001 environmental accreditation, with only minor areas for corrective or improvement action identified.
- BUUK became partners with the Supply Chain Sustainability School, a training platform allowing access to training in areas such as; Sustainability, Digital, FIR, Lean Construction, Management, Offsite, People and Procurement.