Section 172(1) statement

This statement has been prepared solely to provide information to assess how the Board of Directors have performed their duty to promote the success of the Company. Any forward-looking statements are made in good faith, based on the information available up to the time of their approval of this report and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

The Board continues to take account of the impact of its decisions on all our stakeholders, who include our customers, supply chain, partners, employees, industry bodies, local community, and shareholders. We continue to ensure that the health, safety and wellbeing of our people and stakeholders remains central to everything we do.

The Directors have acted in good faith and in a way that is most likely to promote the success of the Company for the benefit of its members as a whole and in doing so have regard (amongst other matters) to:

(a) the likely consequences of any decision in the long term
(b) the interests of the company's employees
(c) the need to foster the company's business relationships with suppliers, customers, and others
(d) the impact of the company's operations on the community and the environment
(e) the desirability of the company maintaining a reputation for high standards of business conduct, and
(f) the need to act as between members of the company

In the following section, we detail our key stakeholders, how the Directors have engaged with them, and how that engagement has influenced the decision making of the Board:

Clients

Introduction

We invest considerable time and effort to understand our clients' exacting needs to ensure full alignment with our service offering, and that we deliver with certainty on our commitments. We do this by effectively managing expectations and putting health, safety, environment, wellbeing, quality and customer satisfaction at the forefront of everything we do.

We take a collaborative and strategic approach in choosing the clients and projects we engage with. This ensures the optimal utilisation of our highly skilled resources, enabling us to deliver with excellence and develop sustainable, long-term relationships.

How we engaged

Monthly business review meetings provide a forum for the Board to understand and challenge business leadership on areas such as customer engagement and satisfaction, operational and commercial performance, and customer initiatives.

Market outlook is a standing item on the agenda for each of these meetings and the Board regularly assesses the impact of external factors on business strategy and engagement with our clients.

The Directors regularly meet with key client stakeholders and ensure that teams work in partnership with common goals and objectives. Coordination of client interactions is especially important where clients are common to more than one of our business units.

Outcomes and actions, we took from our engagement

We develop open, collaborative and professional relationships with our clients at every level of the organisation.

We are careful to ensure our sites are established to the highest standards that reflect positively on our clients. Performance is continuously monitored against these standards and independently evaluated through the Considerate Constructors Scheme, consistently achieving excellent scores across the organisation.

Our behavioural safety programmes, environmental, social and governance (ESG) strategies and our approach to fairness, inclusion and respect (FIR) enables us to deliver a wider range of benefits for and with our clients. Each business unit develops a five-year strategic plan setting out its proposed sector focus and client base.

Section 172(1) statement (continued)

Supply Chain and Joint Venture Partners

Introduction

Our supply chain and joint venture partners form an integral part of our commitment to offering our clients a quality service. We establish mutually rewarding, ongoing relationships with our suppliers and sub-contractors, and today work with many organisations with which we have a long and successful history of co-operation.

How we engaged

We hold business to business meetings with our largest suppliers and subcontractors prior to the start of a project and periodically as needed throughout every project.

We seek feedback from our internal stakeholders and our supply chain on projects during and upon project completion seeking to improve efficiency and to gather 'lessons learned'. We encourage discussion on best practice, sustainable solutions and innovation coming into the marketplace. Regular communication is underpinned by our annual '360' survey to our most important supply chain partners.

We have regular relationship management meetings with our most important supply chain as part of our strategy to engage with and support our supply chain. These may be annually, half yearly or more often to suit mutual business needs.

We also host several supplier events and specialist workshops with our supply chain.

Outcomes and actions, we took from our engagement

In 2025 we continued to use various platforms at our disposal including those of external partners Constructionline that support our accreditation and onboarding process. In addition to Dunn & Bradstreet we have an additional reporting partner - Companywatch - to monitor the financial health of our key supply chain. We have new internal platforms - a document management system that collaborates with our partners to improve exchanges of information and data within our supply chain. We are enhancing our vendor databases to collaboratively combine and improve visibility and functionality of our supply chain for senior managers and site teams throughout the group.

We are compliant with the Prompt Payment Code and have made significant strides towards reducing our payment times for small and micro enterprises. Part of this is to review payment terms so we can pay our supply chain more efficiently as appropriate.

We prioritise and receive support from our most important supply chain to ensure that we get the best outcome at pre-construction stage, building a foundation for an excellent outcome on the project. Support can include competitive pricing, qualitative method statements, process planning, site staffing, material specification recommendations, and new ways of working. This advice will sit alongside overarching health and safety and sustainability planning where we work together on a 'strategic business to business' basis.

Key performance indicators and other relevant statistics

Supplier payment performance for the year showed that the average time to pay an invoice was 26 days (2024: 29 days) and 96% (2024: 95%) of invoices were paid within the agreed terms with suppliers.

97% (2024: 97%) of invoices were paid within 60 days.

Section 172(1) statement (continued)

Employees

Introduction

At VolkerWessels UK, we are focussed on delivering success through our people, and their commitment to excellence is essential for our clients. We strive to create a balanced and sustainable business to the benefit of all stakeholders, with an engaged and committed workforce who are motivated to deliver consistently and are rewarded appropriately. The health, safety and wellbeing of our people is a top priority, and we aim to create a culture that is inclusive of everyone.

How we engaged

Our 2025 annual engagement survey received another record response from our employees, and we maintained our sector-leading engagement levels.

Investment in the development of our people is a key priority, with a continuous focus on recruiting and retaining the best talent in our industry to ensure we maintain the strongest possible pipeline of internal talent. This is supported by a range of activities to promote our opportunities across the Group, as we look to develop our talent at all levels of our business.

Our recently launched FIR strategy embeds our Respect agenda as a core foundation for our business, and will create a legacy for 2030 and beyond that we can be proud of.

Outcomes and actions, we took from our engagement

2025 saw further positive progress in delivering our People Plan, as the focus on our people became increasingly embedded in our business management practices:

• Regular Board and SMT reviews of the progress of our People Plan delivery.

• Board level analysis of our talent across the Group, with a focus on developing our people to fulfil their potential .

• Proactive performance management with regular reviews and discussions now established.

• Launch of a new FIR strategy to 2030.

• Introduction of a 'Regional Spotlight' campaign to provide a regular focus on the range of opportunities we can offer across the Group, to support our focus on developing and retaining our internal talent.

• Regular and improved communication with all employees using a range of platforms to share business updates and celebrate success.

Key performance indicators and other relevant statistics

Health and Safety

- Accident Frequency Rate (AFR)[1] of 0.03 (2024: 0.09)
- Close Call Frequency Rate (CCF)[2] of 269 (2024: 312)
- Lost Time Frequency Rate[3] of 0.12 (2024: 0.13)
- Minor Injury Frequency Rate (IFR)[4] of 0.58 (2024: 0.70)
- All Reported Injury Rate[5] of 0.60 (2024: 0.79)
- Total number of incidents[6] of 295 (2024: 290)

[1]The RIDDOR reportable injuries (excluding dangerous occurrences) are used in the Accident Frequency Rate (AFR) calculation. The AFR is the most commonly used measure for benchmarking safety performance in the UK. Accident Frequency Rate (AFR) = (number of RIDDOR reportable injuries ÷ total work hours) x 100,000.

[2]Close Call Frequency Rate (CCF) = (count of close calls ÷ total work hours) x 100,000.

[3]Lost Time Injury Frequency Rate (LTIFR) - all lost time injuries are used in the LTIFR calculation. LTIFR is a slightly newer calculation to measure performance based on all lost time events, not just RIDDOR events. LTIFR = (number of lost time injuries ÷ total hours worked) x 100,000.

[4]Minor Injury Frequency Rate (IFR) - Includes all minor injuries and accident book entries not reportable under RIDDOR. IFR = (number of minor injuries ÷ total work hours) x 100,000.

[5]All Reported Injury Rate (ARI) - Combines RIDDOR reportable injuries and minor injuries to give an all-encompassing indicator. ARI = (all injuries ÷ total work hours) x 100,000.

[6]Total number of incidents - The grand total of all reported incidents (e.g. events involving damage but no physical harm to workforce), excluding Road Traffic Collisions.

Section 172(1) statement (continued)

Communities and Industry Bodies

Introduction

Our People-Planet-Purpose sustainability framework was refreshed in 2025. The updated framework reinforces the legacy we want to leave by 2030 and beyond: to be recognised as a business with a diverse, inclusive, and safe workforce; and one that inspires future generations, protects the natural environment, and connects communities.

Each of the People-Planet-Purpose pillars now has two themes, with an ambitious legacy statement and key measure of success. These elements are supported by internal action plans and other performance measures to support the practical delivery of our strategy, drive collaborative, and innovative growth, and enhance transparency and credibility in our reporting.

Specifically through our Purpose pillar, we are committed to connecting communities to deliver long-term social value, and aim to deliver £1bn social value by 2030. By partnering with schools and employment support initiatives, we will help to equip people with skills for the future. We will build relationships with like-minded, diverse supply chain partners to embed long-term social value and leave a lasting community impact.

How we engaged

As defined in our Purpose pillar, we are committed to building connected communities and procuring with purpose to deliver £1bn worth of social value by 2030.

To ensure the meaningful delivery of social value, we have three enablers of change; transparency - to build trust and ensure rigour in our governance and reporting; focusing on local needs - to make sure initiatives are relevant and responsive to the communities we are there to support; and working collaboratively - both internally with functional teams and externally with specialist partners.

Our projects and teams work with clients, stakeholders and local communities to set key performance indicators and create bespoke social value delivery plans that will benefit from our companywide collective ambition, shared resources and mutual partnerships.

Outcomes and actions, we took from our engagement

To quantify the added value to society and the natural environment, we adopt a range of metrics from the Impact Evaluation Standard, and record related activity in the Thrive social value platform. This ensures we have a defensible, transparent and consistent way of reporting tangible social value to our internal and external stakeholders. We have a suite of core metrics, aligned to People-Planet-Purpose, to add clear focus and direction for the company on the outcomes we want to achieve.

Our employees across the VolkerRail Group have worked collaboratively with local communities and, during 2025, generated in excess of £276m of social value through procurement with small and medium-sized enterprises (SMEs) and voluntary, community and social enterprises (VCSEs), local employment, school engagement, apprentices, work experience and other volunteering.

Key performance indicators and other relevant statistics

At the end of 2025, 97% (2024: 95%) of our live company car fleet and 100% (2024: 98%) of new car orders are either fully electric or hybrid.

Section 172(1) statement (continued)

Shareholders

Introduction

As a member of the privately owned Dutch group, Koninklijke VolkerWessels B.V, VolkerWessels UK Limited and its subsidiaries apply the internal regulations set out by the group to ensure that it acts as between members of that company.

How we engaged

We engage with our shareholders and broader group through many informal as well as formal routes with a quarterly business review and reports.

Through knowledge sharing across the group, we are able to share innovation in construction methods, sustainability and value engineering between the UK and our international counterparts.

Our Dutch parent business is able to obtain and share onwards relevant news content and information that VolkerWessels UK provides through a variety of channels, including the corporate and business unit websites, social media and traditional media outlets, and the annual review publication.

Outcomes and actions, we took from our engagement

Our objectives are set and agreed through our five-year rolling business planning process, and we review our sustainability and other non-financial targets as well as financial targets with them on a regular basis.

VolkerWessels UK has contributed to the promotion of the group's success by the sharing of UK content for the parent company's annual report, and internal Spotlight newsletter

Approved by the Board of Directors and signed on behalf of the Board:

SJ Birch

SJ Birch
Director

29 April 2026
Company registered number: 03184313

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