

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 excellence in every project and develop sustainable, long-term solutions.

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. The company develops a five-year strategic plan setting out its proposed sector focus and client base.

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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 2024 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 introduced an additional reporting partner - Companywatch - to monitor the financial health of our key supply chain. We have internal platforms including a document management system that collaborates with our partners to improve exchanges of information and data within our supply chain.

We are compliant with the Prompt Payment Code and we have continued our strong performance record in this area.

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 28 days (2023: 28 days) and 99% (2023: 100%) of invoices were paid within the agreed terms with suppliers.

99% (2023: 99%) of invoices were paid within 60 days.

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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 2024 annual engagement survey received a positive response from our employees, and we maintained our market-leading engagement levels. Fairness, inclusion and respect was our highest-scoring area, which reflects the focus we place on creating the appropriate workplace culture.

Our Respect strategy ensures an inclusive working environment can be enjoyed by all and has been recognised by achieving another top 10 ranking in the National Centre for Diversity's 'Most Inclusive Workplace' awards. We were also ranked the Engineering Company of the Year for the 5th successive year.

The wellbeing of our employees continues to be a priority, through the provision of a wide range of healthcare benefits. We also deliver a comprehensive occupational health plan for all levels of our business, including support for both physical and mental wellbeing.

We continue to invest significantly in the development of our people, with a wide range of training support offered to all employees together with a host of management development programmes designed to maintain our internal talent pipeline.

Outcomes and actions, we took from our engagement

In 2024 we developed our People Plan further, which now includes:

- Continued focus on attracting the best talent, with over 80% of recruits identified by our internal resourcing team.
- Introduction of a range of learning solutions accessible to all employees, with more flexible delivery options.
- A focus on training in effective management tools and techniques, to support a drive on effective performance management.
- A talent review, including development plans, to support the growth of our people.
- Continued focus on our Respect campaign to all site operations, and the delivery of toolbox talks on important topics such as banter.

In 2024 we launched a new company website which include a fully refreshed careers section to ensure we continue to attract the best talent available.

There have also been board-level reviews of our talent pipeline, including the identification of successors for key roles, to ensure business continuity.

Key performance indicators and other relevant statistics

Employee diversity, and inclusion

- Employee engagement score of 78% across four key engagement metrics (2023: 81%)
- In the 2024 National Centre for Diversity awards, VolkerWessels UK was named as Engineering Company of the Year for the 5th consecutive year, and ranked 9th (2023: 5th) in the listing of most inclusive companies across all industries

Health and Safety

- Accident Frequency Rate (AFR)¹ of 0.09 (2023: 0.09)
- Close Call Frequency Rate (CCF)² of 312 (2023: 222)
- Lost Time Frequency Rate³ of 0.13 (2023: 0.11)
- Minor Injury Frequency Rate (IFR)⁴ of 0.70 (2023: 1.00)
- All Reported Injury Rate⁵ of 0.79 (2023: 1.09)
- Total number of incidents of 290 (2023: 401)

¹Accident Frequency Rate (AFR) = (number of RIDDOR reportable injuries ÷ total work hours) x 100,000.

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

³Lost Time Injury Frequency Rate = (number of injuries with lost time ÷ total work hours) x 100,000

⁴Minor Injury Frequency Rate (IFR) = (number of minor injuries ÷ total work hours) x 100,000

⁵All reported injury rate = (all injuries ÷ total work hours) x 100,000

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Communities and Industry Bodies

Introduction

Our commitment to the VolkerWessels UK People-Planet-Purpose sustainability framework demonstrates our desire to take bold action to balance the needs of the environment and society alongside our growth as a business. It makes the commitment that 2020-2030 is a 'Decade of Action' and sets a flexible, agile, and empowering structure for our organisation to direct focus on those areas of sustainability with the greatest value to their internal and external stakeholders. Each of the People-Planet-Purpose pillars has three 'themes' and a total of 28 high level metrics, which allow us to measure and monitor performance.

Specifically, through the 'Purpose' pillar, we are committed to making a positive impact in the communities we work. We strive to leave a legacy, not only through the projects that we deliver, but also by supporting local communities through engagement with schools, charitable activity and by supporting local organisations to deliver long term social value.

To support our ambitions, we partner with external providers and professional bodies who will ensure our approach is robust and ambitious.

How we engaged

As defined in the 'Purpose' pillar of People-Planet-Purpose, it is our aim to be a trusted, forward thinking and respected business. Through the strategy we have placed specific focus on education engagement, charitable engagement, volunteering, in addition to procuring goods and services from local and diverse suppliers to delivery of social value.

To bring this to life on our projects, to ensure the meaningful delivery of long-term social value in the areas we work, we undertake local needs analysis to better understand the needs of local communities and other stakeholders before work commences.

Supported by operational teams and external partners, where appropriate, our social value teams are then able to facilitate well intended interventions. These not only bring benefit to communities but they also inspire and support colleagues, clients, and suppliers in their own efforts to share time, skills, and resources in their chosen way.

Outcomes and actions we took from our engagement

To quantify the added value to society and the natural environment, we have adopted 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 2024, generated in excess of £142 million of social value through local procurement and employment, school engagement, apprentices, and other volunteering.

The VolkerRail Group charity of choice for 2024 was Bluebell Wood Children's Hospice and we are proud to have donated £10k throughout the year through our Close Call reporting scheme to support their vital work. In addition to this we have supported various local initiatives close to our sites, projects, and offices.

Key performance indicators and other relevant statistics

At the end of 2023, 95% (2023: 84%) of our live company car fleet and 98% (2023: 96%) of new car orders are either fully electric or hybrid.

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Shareholders

Introduction

As a member of the privately owned Dutch group, Koninklijke VolkerWessels B.V, VolkerWessels UK Limited and its subsidiaries, including VolkerRail Specialist Businesses Limited, 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