

STRABAG UK Limited S172(1) Statement

The Directors consider that, during the year, they have acted to promote the long-term success of the Company and to operate with respect and responsibility for our shareholder and for wider society.

As required by section 172(1) (a) to (f) of the Companies Act 2006 we have considered the interests of the wide range of stakeholders we affect, which includes our employees, our customers, shareholders, supply chain partners, banks, lenders, sureties and insurers, joint venture partners and the UK Government are all key stakeholders for the Company. We also consider our responsibility includes supporting the advancement of the construction industry, so we constantly innovate and lead in the development of initiatives to reduce waste and improve productivity.

a) The likely consequences of any decision in the long term:

The Company is committed to achieving carbon neutrality by 2040 and launched the 'Work on Progress' initiative to support this (see: Group Context and SECR in the Strategic Report).

The main objective of the Company is to establish itself as a key player in the UK infrastructure and built environment sector (further reading: Group Context and Strategy and Prospects in the Strategic Report).

In pursuit of this objective and guided by the strategic priorities of the Group:

1. Sustainable profit growth with a reliable dividend;
2. Embed resourcefulness and recyclability;
3. Deploy construction life cycle technology;
4. Continually search for innovation and use our digitalisation skill;
5. Flexible business model supported by consistent strong risk management;
6. Financial strength as a competitive advantage – do not use suppliers' cash, invest in assets for efficiency, minimise borrowing cost, present strength to clients and the supply chain.

We use these to as a guide to invest in long term production assets and pursue long-term positions on frameworks (e.g. 6-10 years) and to be competitive on mega infrastructure programmes and to create repeat business reliability for key clients who have longer term strategic needs from their design and construction partners.

b) The interests of the Company's employees:

The Directors seek to achieve strong employee engagement, which is a pillar of our vision, to be an employer of choice by putting 'People First'. We have invested substantially in providing and encouraging learning and development opportunities for all our staff so they have the skills for the future and to optimise their growth within the Company. The communication with our staff is through multiple channels, including weekly, monthly and quarterly newsletters and group magazines. We hold a monthly briefing for all staff and our leadership culture is to be visible and available and always transparently responding to questions that arise (further reading: People and Culture risks in the Strategic Report and Engagement with employees and employment of disabled persons in the Directors Report).

c) The need to foster the Company's business relationships with suppliers, customers and other stakeholders:

Ensuring that we foster excellent stakeholder relationships is a core capability of the Company, not least because it is impossible to function successfully in the construction sector without such an approach, but because it is a core value to respect the interests of our neighbours and supply chain partners.

The Company operates weekly payment runs to ensure suppliers and subcontractors are paid within terms and local suppliers and subcontractors are used as much as is practicable.

Delivery of construction contracts is managed closely with our clients at every step of delivery in line with the Company "Common Projects Standards" directive and other Company policies and directives. The Company is subject to internal audit to ensure compliance with these (further reading: Operating and technical risks in the Strategic Report).

d) The impact of the Company's operations on the community and the environment:

Through the opening of our new segment production facility in Hartlepool and the ongoing delivery of a contract in the Scottish Highlands, the Company has created over 100 new skilled local jobs and has taken on apprentices from the local communities in which we operate.

In opening the new segment production facility, the Company re-established a disused rail link to provide direct access to the UK rail network. This enables the Company to make deliveries by rail freight instead of by lorry and over the next three years 56,000 lorry journeys will have been avoided from UK roads.

The consideration given to the impact of the Company's operations on the environment and initiatives undertaken in the year are explored fully in the SECR section of the Directors Report.

e) The desirability of the Company maintaining a reputation for high standards of business conduct:

Given the risk of corruption and anti-competitive behaviour in the construction industry, the Company has implemented a set of tools that have proven effective in combating these risks. The rules for proper business behaviour are conveyed by the STRABAG Ethics Business Compliance Management System (BCMS) and the Directors have ensured that there is mandatory training for all staff in the operation of BCMS (further reading: Business Compliance and Ethical risks in the Strategic Report).

The Company has clear conflict resolution procedures for all stakeholders including escalation to senior management and Directors for amicable resolution of disputes and a whistleblowing platform is made available to all stakeholders of the Company, not just employees.

f) The need to act fairly as between members of the Company:

The Company is a wholly owned subsidiary of STRABAG AG and therefore has a single shareholder. The Directors have no considerations to address in relation to the need to act fairly between members of the Company.

This report was approved by the board and signed on its behalf.

A J Dixon
Director

Date: 27 March 2025

This is an extract from the STRABAG UK Limited 2024 Annual Report and Financial Statements. A full copy can be found at [Companies House](#) for further reference.