

Statement by the Directors on performance of their statutory duties in accordance with S172 (1)

As a result of new statutory requirements, the Directors of the Company are required to give an annual statement on how they have discharged their duty under section 172 of the Companies Act 2006 to promote the success of the Company for the benefit of its members, as a whole, and with wider regard to all stakeholder interests.

The Directors take their responsibilities seriously and wish to act in good faith in promoting the long term success of the company and all its stakeholders. The Board and Senior Management Team of the Group meet on a monthly basis, with financial performance, operational matters, strategy, health and safety and business development being key topics discussed. The corporate governance policies are continually evolving, in order to maintain our emphasis on high standards of business conduct and anchored around health and safety, corporate social responsibility and environmental and sustainable policies. The Directors are committed to providing outstanding service delivery in every area of the business.

To deliver the long term strategy and promote the success of the Group, the Directors seek to maintain a strong order book and pipeline of new work, and where possible enter into long-term arrangements with customers which provides a strong base for the company's long term planning. Tenders for new work are carefully appraised to ensure the Group remains competitive whilst protecting operating profit margins.

Engagement with Stakeholders

As an employer, supplier, client and a member of a wider community, we know that our activities impact on the lives of others and that the quality of our relationships is determined by our actions. Relationships are important to us. As a family business, relationship building is central to our culture and values. These values guide the way we operate as a corporate citizen.

Employees

We employ over 450 people across a range of management, engineering and craft disciplines and our average staff retention rate is an impressive 17 years. One of our secrets is blending the knowledge and experience of our long serving members of staff with the enthusiasm for emerging technologies and ideas of the younger members of our team. We have an extensive training and development programme and are constantly looking at ways to promote and develop our teams. We engage with our staff through regular staff surveys, our company newsletter, Gratte Vine, and workshops on business related issues. We solicit contributions from staff through our Excellence @ Gratte comment card scheme and invite comment and questions on our management data which is provided quarterly.

Customers

Our customers come from a diverse range of sectors and they all demand quality and value from their service providers. We are proud to be rated by our clients as reliable, collaborative, fair and proactive. In the region of 70% of our turnover is from repeat business so we understand and appreciate the importance of constantly working with our clients to ensure effective responses to change in the dynamic markets in which we work. To

ensure that we are constantly meeting our customers' expectations Gratte Brothers operate a formal customer satisfaction survey programme. At the end of key projects clients are offered the opportunity to provide feedback in a structured interview with our Marketing Director. This feedback is shared with Board and Project Directors and informs our continuous improvement process. These Customer Satisfaction Surveys are in addition to the regular Business to Business meetings held between our directors and key clients.

Suppliers

We value the important contribution made by our supply chain partners to our reputation for quality. The increasingly complex and specialist nature of mechanical, electrical and associated installations means that we depend on the standard of service we receive from our supply chain. Our supply chain members are an essential part of our family business and we are proud of the fair manner in which we engage and work with them. We routinely share feedback from Customer Satisfaction Surveys with suppliers where it is relevant to them and engage with key members of our supply chain prior to projects commencing. This provides an opportunity for them to understand key project deliverables and raise any questions they may have directly with our project teams. Our Supply Chain Director holds regular meetings with individual suppliers and runs a number of supply chain events to discuss topics of mutual interest.

Community and Environment

The Board is working on the Group's Strategy to support the Government's Net Zero Carbon emissions target by 2050. We believe this is a good opportunity for us to contribute to this target by looking at all aspects of Gratte Brothers' operations including energy use, transport and responsible sourcing in addition to specific measures associated with the impact of construction on the global carbon footprint.

We are committed to minimising the environmental impact of our activities, and have successfully retained our Environmental Management ISO 14001 certification for over a decade. We operate a Corporate Social Responsibility strategy which revolves around people, places and planet. This informs our approach to the communities and environment we work in and the people we work with. We seek to add value to the communities we work in by supporting charities, employment and training opportunities. The natural environment is important to Gratte Brothers. We aim to protect the areas we work in from pollution and limit any long-term impacts on biodiversity and ecology. We do this through sustainable sourcing of materials, management of waste and taking care to prevent pollution from our operations. Our Procurement Policy ensures that those materials fit into supply chain and the supporting community to achieve environmental targets (electricity usage etc.). We aim to recycle and send zero waste to landfill. We have reduced the number of vehicles in our fleet and introduced hybrid vehicles to reduce our carbon footprint. We have partnered with Community Wood Recycling to remove wooden pallets from our sites which are then used in the production of furniture, creating work and training opportunities for local unemployed people, or converted into bio pellets for energy production.

This Report was approved by the Board and signed on its behalf.

D E D Gratte

Director

Date: 15 December 2020