

Engaging with our stakeholders

Together, we create sustainable living

Effective engagement with our stakeholders is crucial for building strong, effective and mutually beneficial relationships for the long term. Our purpose, 'Together, we create sustainable living,' recognises the value that diverse perspectives bring, and the importance of collaboration.

By fostering a culture of collaboration, direct engagement, mutual respect and transparency, we effectively work together with our stakeholders to achieve this purpose. This engagement enhances our ability to meet our strategic objectives whilst building a more inclusive, sustainable and resilient business.

Our key stakeholders

Our key stakeholders are integral to the Group's long-term strategy. The Executive Management Team is responsible for ensuring that their needs form part of everyday decision-making on behalf of the Board. Using the feedback received from senior management on these needs, the Board considers and then makes its strategic decisions against the backdrop of what it considers to be in the best interests of the long-term success of the Company.





Engaging with our employees

How we engage:

Engagement is varied and includes focus groups, enabling informal chats with Managing Directors, holding quarterly 'town halls' led by senior leadership teams and conducting dedicated training days. We utilise Workplace by Meta and use notice boards in common areas, as well as conducting periodic employee engagement surveys. During the year, we focused on health and wellbeing, with members of our Occupational Health team attending an Executive Sales Conference within one of our Business Units.

Key topic	Outcome
Group-wide employee engagement survey	Results were shared to enable priorities to be set at Group and local level to directly target areas for improvement, including recognition schemes, further learning and development (L&D) opportunities and updates to policies, both in individual businesses and across the Group
Equitable access to our people platforms, including L&D, communication and our HR Information Systems (Workday)	Engagement roadshow to our businesses to identify challenges within our methods of communication. Implementation of shared devices, using colleague engagement hubs, and additional opportunities for L&D through continuous improvement initiatives
Raising awareness outside manufacturing sites of the importance of physical and mental wellbeing	Raising awareness included providing mini health-checks, guidance on wellbeing, access to counselling, and tips on ways to improve physical health
Bridging the Genuit Business System (GBS) strategic initiative from concept to practice	Through training and improved communication tools, we further embedded GBS across the Group to work towards establishing a world-class lean culture at Genuit

Challenges:

Employee understanding and buy-in of new processes and systems as part of the GBS roll-out. Establishing Group versus local business priorities in response to the results of the engagement survey.

Value:

Improved engagement and retention rates. The upskilling of employees, positioning us for future growth. Improved overall health and wellbeing, thereby reducing sick rates and injury risk. Targeted areas for improvement as a result of the survey. Further embedding of GBS.

Upskilling and empowering employees in the deployment of the Genuit Business System

We continued to engage directly with employees on our journey to embed GBS across all our operations and functions.

During the year, we made considerable progress in its implementation. We hosted four GBS orientation sessions, training approximately 100 people and 88% of the Genuit Leadership Team (GLT), and increased our kaizen activity, providing both results and case studies to better understand GBS. We focused on our leaders and conducted a mock-kaizen at our annual Genuit Leadership Conference to demonstrate the effectiveness and simplicity of a kaizen, and hosted numerous strategy deployment sessions.

We also worked closely with our communications and Information System (IS) teams to establish a dedicated communications plan, including the launch of GBS videos to help relay the story and vision of GBS to employees and other material stakeholders, and launched our GBS intranet site documenting ongoing events and sharing tools and learnings across the Group.

Some examples of the new tools learned and practiced through kaizen events as we continued to upskill our employees during the year across the Group include:

Adey

Value Stream Mapping

Nuaire

Leader Standard Work

Polypipe Building Products

Kaizen Facilitation & Process Development

Polypipe Building Services

SMED & Process Development

Polypipe Civils & Green Urbanisation

Total Preventative Maintenance, Sustainability

Impact & Value Stream Mapping

Polydeck

Process Development

Sustainability function

Process Development & Sustainability Impact

IS function

Process Development



Effective execution and upskilling will develop our employees, materialising into increased shareholder value."

Pete Kalet, Group Head of GBS



Click or scan here for more information about GBS at Genuit Group

Engaging with our stakeholders continued



Engaging with our customers

How we engage:

We engage with industry bodies such as the Future Homes Hub, where our customers are similarly represented, and hold regular customer meetings with end-customers, merchants, social housing groups, national house builders and water companies. We also interact with the technical and innovation teams of our customers. We attend industry dinners and, for some, hold quarterly review meetings. We provide support and collaborate to create the solutions our customers need, through engaging across our entire supply chain. We are improving our synergy selling capabilities across the Group to continue to provide a wide range of climate-related solutions.

Key topic	Outcome
Focus on sustainability, including the impact of climate change, Environmental Product Declarations (EPDs) and improved sustainability ratings	Holding face-to-face meetings and interacting with technical and innovation teams allows us to provide innovative solutions to customers, drive EPD creation to include key products, and provide reliable carbon data
Increasing housebuilding in a challenging demand environment, including costs, labour and supply-chain adaptability	Providing solutions such as Stax, MecFlow Press, the relaunch of MecFlow Fusion and working with new customers in the MMC sector to lift the basket of goods supplied and gain added value, in addition to providing support with cash flow and cost management challenges
Understanding the impact of pending regulatory changes, such as The Future Homes and Buildings Standards, and preparing for compliance	Engaging with customers (such as housing developers) to provide innovative and adaptive solutions, for example, underfloor heating replacing steel radiators, widespread adoption of MVHR in residential developments, or blue-green roofs and innovation products such as swift bricks and bat boxes for biodiversity net gains

Challenges:

Addressing stormwater and sewer overflow challenges and understanding what solutions customers require to solve installation problems, including speed and system integrity. Adapting to regulatory changes and customer cash flow challenges as they manage higher interest rates.

Value:

Engagement empowers us to create better solutions by working jointly with the supply chain, culminating in long-term relationships and growth for Genuit. Increase in barrier-to-entry value-add solutions sales, making us more flexible and well-positioned to address customer needs.

Elements Europe: value-added partnership

Polypipe Building Services (PBS) identified an opportunity to partner with Elements Europe, a leading modular manufacturer. This collaboration streamlined the Elements Europe supply chain whilst opening a new market for PBS and synergy sales across Genuit. Cross-functional teams leveraged GBS tools like A3 problem solvers, Voice of Customer, and Value Selling, with Genvue CRM ensuring effective tracking. Despite challenges in product development and in gaining technical approval, PBS adapted quickly, delivering a tailored solution. Early feedback was highly positive, with Elements Europe praising PBS's understanding and partnership approach. With the initial orders secured, PBS is positioned for long-term growth and further expansion of its solution-selling strategy.



Polypipe Building Services Advantage brings value-added solutions to save time, increase productivity and enhance the assembly processes in the Elements Europe factory setting."

Andy Cullum, Managing Director, Polypipe Building Services

Driving sustainability and customer value

During the year, Adey embarked on a project to reduce the carbon used in producing, packaging and transporting products. Through extensive research using the Voice of Customer tool, and consultation with key merchant customers, Adey launched its new, and more sustainable packaging. This resulted in several benefits for not only Adey, but also the customer, the supply chain and the environment. This will result in annual savings of 72 tonnes of carbon emissions, reduction of 128 gallons of fuel, 3 tonnes of paper, and a reduction of 5.5 tonnes of plastic. This initiative not only created value for Adey, but strengthened partnerships and secured long-term business growth.



Tonnes of carbon emissions saved

72



Engaging with our shareholders

How we engage:

We conduct investor roadshows following our full year and half year results, hold our Annual General Meeting each year, and conduct ad hoc investor meetings as required. During the year, we visited non-UK investors across the USA, Helsinki, Copenhagen, Frankfurt, Paris and Jersey. Site visits were held at Doncaster, Caerphilly and Gloucester for our analysts to demonstrate the effectiveness of GBS. During the year, we also launched a new website to improve access to up-to-date information and drive engagement further, and our Chair offered our top ten shareholders the opportunity to meet with him to discuss the Company's progress against its strategy.

Key topic	Outcome
Understanding how GBS works, is being deployed, and will create value	Site visits held to see GBS in action, showcasing the pace of improvement across the Group. Updates to our GBS communication materials, including videos and the inclusion of case studies in financial results
Feasibility and opportunity for Genuit with the UK government's commitment to delivering new housing targets, regulatory changes in the water sector and readiness for the Future Homes Standard	Updates on the content, timing and impact of the upcoming Future Homes Standard on the Group, including ways in which we are engaging with customers in preparation. Additional information on Genuit's role in helping to manage the next water budget cycle, aimed at solving the sewer overflow issues, giving confidence to shareholders
The Group's route to its medium-term margin targets and management of performance in the face of a challenging macro outlook	Evidence of growth through the Group's M&A agenda and the successful acquisitions of Sky Garden and Omnie & Timoleon, as well as organic growth and operational efficiencies through the rationalisation and deployment of GBS

Challenges:

Navigating a changing market with regulatory developments and continued high interest rates. Understanding the value of GBS in the future outlook of the Group. Building confidence in the UK market and its growth position over the next five years.

Value:

Increased shareholder confidence in the strategic goals and outlook of the Group, leading to increased levels of investment, both overseas and within the UK. Retention of a strong register of highly supportive investors, and consistent dividend payments.

Site visits and external communications



During the year, we hosted further site visits for our analysts at Adey, Polypipe Building Products (Neale Road site) and Nuair, led by our Group Head of GBS, Chief Financial Officer, and key members of the local teams, to demonstrate the progress of the implementation of GBS and its effectiveness across our businesses. We also launched additional GBS materials through videos and related communications to share more detail about its benefit to our business. Our new website included a section dedicated to GBS and better showcased details of our strategy to make it easier for our investors follow our progress.



Click or scan here to watch our introduction to the Genuit Business System

Total investor meetings held during the year

267

Preparation in readiness for the Future Homes Standard

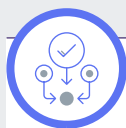
In readiness for the Future Homes Standard, we worked alongside Barratt's technical committees to align Polypipe's underfloor heating system with Vaillant's Air Source Heat Pumps (ASHPs). Through a series of workshops, we conducted heat loss calculations, zoning strategies, and flow rate optimisation to ensure peak efficiency. The commercial discussions focused on cost-efficiency, installation timelines, and compliance with the Future Homes Standard.

By working closely with Barratt Homes and our partners, we successfully delivered:

- significantly reduced carbon emissions, aligning with the UK's 2050 Net Zero goals;
- a future-proofed, sustainable heating solution, ensuring compliance with the upcoming Future Homes Standard; and
- zoned heating control for enhanced comfort and energy efficiency.

Sharing details of this customer engagement with our shareholders demonstrates and reassures them of the Group's ability to collaborate, innovate and deliver scalable, future-proof heating solutions, while responding to changing regulations.

Engaging with our stakeholders continued



Engaging with our suppliers

How we engage:

Supplier relationship and performance management (face-to-face) meetings are one method of engagement, and we hold these frequently with key suppliers and as necessary in relation to intelligence or post-events where intelligence is not available. These are supplemented by virtual meetings as necessary and ad-hoc engagement as required. We collect new supplier credentials through onboarding processes and assure ourselves of their ethical behaviours, sustainability and creditworthiness. We conduct one-to-one meetings with suppliers on sustainability issues, with a clear focus on climate change.

Key topic	Outcome
UK and European PVC suppliers faced challenges largely due to a persistently depressed market, driven by low-cost imports from the USA, prompting the UK Government to conduct an anti-dumping investigation into the USA imports	The Group built in protections against both pricing volatility and any future levies by strategically contracting PVC supplies with agreed fixed-pricing mechanisms and guarantee of supply. We engaged with the Government anti-dumping investigation, providing both supporting documentation on the PVC UK supply landscape and information in respect of the potential effects on both our businesses and the wider construction industry
Geopolitical events causing global shipping constraints and limitations due to sanctions	We conducted specific supplier meetings on the topic, extended lead times, covered H2 demand with forward orders and mitigated supply risk through finding alternative sources in other geographical regions
Impact of low demand, coupled with a growing demand from customers for product and sustainability data	Working with key suppliers to support data requirements to give clarity and priority, plus the further development of long-term agreements to give some surety of demand

Challenges:

Geopolitical events and natural disasters, creating more disruption for suppliers. Lower demand and increased costs, with expectations of credible sustainability data. Depressed market driven by low-cost imports from the USA.

Value:

Realised annualised savings and mitigated risk. Improvements in supplier relationships, better understanding of requirements, removal of waste, and improvements to supplier delivery performance. Working capital improvements through inventory reduction. Uplift in volume of EPDs.

Recycled material supplier optimisation

During the year, the prices of recycled material and its availability, quality and consistency were all variables that fluctuated, providing a challenging environment for sustainability practices.

This highlighted the importance of having an established supply chain with trusted suppliers providing us with product quality and consistency. Building on our efforts during 2023, during the year, we continued our supplier site visits, provided more detailed material specification sheets and onboarded new suppliers to help expand our supply chain. To further improve our relationships with our suppliers, we invited them to visit our sites during material testing and trials, enabling them to contextualise our manufacturing conditions and witness our processes for testing and manufacturing.

One example of the outcome of this engagement was successfully finding a recycled material grade for a product that had historically been a challenge. Following the onboarding of a new supplier and completion of the above, this product will now be manufactured with 50% recycled material, having previously been manufactured from 100% virgin material, helping us continue towards achieving our recycling targets.

This engagement has provided benefits for both the Group and our suppliers, as we each now have a greater understanding of the other's processes, and our suppliers continue to collaborate with us to provide advice on how best to process the material we purchase, resulting in higher-quality products.



We have greater communication and trust with our suppliers when it comes to material being delivered and the product trials we conduct."

Adam Pointon, Group Materials Development Manager, Genuit



Engaging with our communities

How we engage:

We engage directly within our local communities through local trusts, creating opportunities for students to develop their business knowledge and learn entrepreneurial skills, including leadership and business modelling. We host environmental tidy days and educational initiatives teaching about heating, engineering and the reduction of carbon emissions. We collaborate with local colleges, support charities and provide sponsorship for local schools, community groups, and sports teams. We also engage through updates on LinkedIn and attend conferences to share information on social inclusion to reinforce and support community understanding of the importance of inclusion.

Key topic	Outcome
Diversity and inclusion within the workplace and construction industry	Became a strategic partner of the Construction Inclusion Coalition (CIC). Delivered webinars, led the first CIC conference and presented its approach to measuring impact, and shared our best practice with the construction sector. Participated in Pride and International Women's Day and created a Genuit employer brand
Improving the standard of education and the pipeline of students moving into employment	Attended a job fair held by a local competitor that was closing its site and were able to offer employment to 12 employees. Regular hosting of work experience programmes for local secondary school children, creating a pipeline of work-ready students with engineering and digital specialisms
Impact of climate change and the ways in which Genuit helps to mitigate	Participated in sessions at climate events and within local groups, such as scouts, to educate on excessive water use and city stress from over-heating, cooling and water

Challenges:

Cost of living challenges within local communities, job losses and reduced education opportunities. Continued focus on the impact of climate change on our environment and the pace of changing regulations and the need to educate communities.

Value:

Reducing the impact of our activities on the environment. Genuit brand awareness and development of reputation. Nurturing the next generation and improving recruitment opportunities. Increase of young talent in graduates and apprentices.

Engagement within the research space



The Chartered Institution of Building Services Engineers (CIBSE) created a Resilient Cities Special Interest Group, chaired by one of our employees. Engaging in this way enables the Group to discuss blue-green solutions with confidence, based on the research roof findings. This also opens doors to other industry activities such as white paper consultations, hosting site visits, draft legislation and inputting into the Biodiversity Net Gain (BNG) Road Map to inform and guide legislators, given that BNG is a mandatory requirement for housing at the planning stage. This engagement assists in developing the Genuit Group brand within our communities, with regulators and across our customer base, sharing the message that the Group does not solely manufacture recycled pipes, but also provides blue-green solutions, ventilation and low-carbon solutions.

Local community initiatives

Polypipe Civils & Green Urbanisation (CGU) teamed up with Woodlands Academy to support the school's fundraising campaign to visit Oegstgeest and the Corpus Science Museum in the Netherlands, as part of their GCSE studies. Woodlands Academy is a specialist secondary school for pupils with social, emotional and mental health needs, which provides a personalised curriculum to prepare students to be successful and confident young adults. The trip is self-funded, but many pupils coming from deprived backgrounds are not in a financial position to pay for the trip, so Polypipe CGU organised fundraising to cover the costs. The team welcomed students and staff to the Horncastle site for a community litter pick, for which their hard work was rewarded with a donation towards their trip.

Education across the industry

Our Middle East Director for Civils, Green Urbanisation & Network Solutions, Lina Abolail, participated in the Economist Intelligence Corporate Network for the Middle East and North Africa Annual Conference in Dubai. Lina was part of a panel discussion at the event titled 'Preparing for Climate Change and Extreme Weather Events', sponsored by Watania Takaful.

The event provided a valuable platform for industry leaders to exchange knowledge and strategies on addressing the challenges posed by extreme weather events. Lina shared our commitment to proactive risk management and sustainable stormwater management solutions in urban environments. These insights highlighted the importance of collaborative efforts in enhancing resilience and contributing to a more resilient future.