

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.



Customers

Engaging with our customers is key to Genuit's success. Our businesses have excellent customer relationships, with levels of technical expertise that are respected across our sector. Our customers are the spectrum of people who interact with our solutions, whether or not they are involved in direct transactions with us. This includes specifiers, consultants, merchants, contractors, end users and building owners. We address the needs of all of these groups and ensure that our sales structures, marketing programmes and R&D teams are actively assessing and addressing the needs of each. Each of our Business Unit MDs lead by example, regularly engaging with customers.



Employees

People and culture is a core theme of our Sustainable Solutions for Growth strategy. We recognise that we can only achieve our strategic aims with the right culture and an engaged and motivated team. Our businesses operate interactive briefing cascades, and we have invested in engagement tools such as Workplace by Meta, Workday, our HR platform has the Peakon engagement module, which will allow us to track employee engagement on a regular basis, and we have a designated Employee Engagement Non-Executive Director. We are committed to The 5% Club and we see this as a key enabler of engagement.



Shareholders

We view transparency and regular engagement with investors as a key responsibility of a listed business. We engage via formal mechanisms such as our results presentations, capital markets events, our website, social media and Annual Report and Accounts. We also conduct briefings and Q&A sessions via roadshow events, participation in various investor events and conferences. We believe that people invest in what they understand and we invite investors to our sites so they are able to see our operations first hand. Whilst our CEO and CFO lead our investor relations, we also welcome investor interaction with other members of our senior teams, as the strength of our leaders is a key driver of our success.



Suppliers

We understand the role that successful supplier partnerships play in our performance. We have invested further in our Group procurement function to ensure that we have strategic relationships with our largest suppliers and that they understand our strategy and how they can add value to it. We recognise our responsibilities around issues such as prompt payment, and believe that a partnership approach is the best way to long-term success. Many of our suppliers bring key technical capability, and so we ensure engagement across our R&D and technical colleagues in addition to our procurement functions.



Communities and the environment

Many of our businesses are significant employers in their local communities, and our connections with the communities in which we operate are hugely important to us. Our community engagement activities cover a spectrum of activities, from being active in local Chambers of Commerce, through to connections with many local schools, including our 'Wash and Squash' circular economy initiative. Our employees are encouraged to engage with their communities and participate in local fundraising activities, alongside sponsoring vocational training programmes in local colleges.

Engaging with our stakeholders continued

Engaging with our employees



Key topics

- Communication of strategic vision for the Group and continuous improvement of communications.
- Health and wellbeing of employees and ensuring diversity & inclusion (D&I) and equitable opportunities.
- Group-wide recruitment practices and an enhanced approach to talent review to recognise and reward employees.
- Creation of cross-Group Genuit Leadership Team (GLT) to enable further and more comprehensive interaction between colleagues and ensure messaging is cascaded in a consistent way.
- Development of Genuit Leadership Programme to further develop leaders across the GLT.
- Attracting of new talent and retention of employees.
- Harmonisation of pay framework across hourly paid roles and launch of Workday HRIS system.

How we engage

- Regular targeted communication within businesses and across the Group via various means including town halls, posters, Teams sessions, emails, Workplace posts and workshops, including employee engagement sessions.
- Monthly health and wellbeing-related promotions.
- Sharing of lessons learned with other business leaders, including root cause analysis and preventative action.

- Gathering direct input into the design of the Genuit Leadership Programme via surveys and interviews.
- D&I working group meetings to support deployment of D&I strategy.
- Employee Peakon survey.
- Establishment of GLT annual conference and monthly update and engagement calls.

Challenges

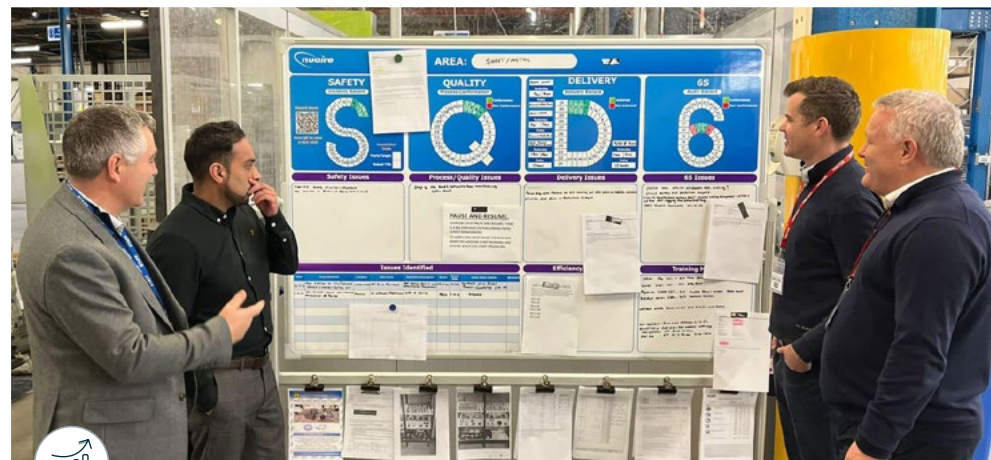
- Recruitment and retention of skilled workers and talent.
- Access to digital services for all employees and the challenges of communicating and sharing learning and messaging with non-PC user colleagues.

Outcome

- Increased visibility and access to consolidated data via Workday.
- Retention of talent.
- Improvements to D&I policies following employee engagement sessions, such as the enhanced Maternity and Paternity Pay Policies launched in January 2024.
- Maintained Investor in People Silver Membership status.
- Increased awareness of Group and pride in being part of an organisation which upholds high standards of ethics.

Value

- Development of talented leaders focused on driving the Group forward through the deployment of the Sustainable Solutions for Growth strategy.
- Engaged, high-performing and committed workforce.
- A consistent and collaborative culture, supported by the Trademark Behaviours.
- Resilient and supported workforce.



Site visits

During the year, we hosted site visits at two of our CMS sites (Adey and Nuairé) for analysts, led by our CFO and key members of the local team. We showcased the implementation

of the Genuit Business System, including demonstrating examples of visual daily management and continuous improvement approaches.



Remuneration Policy 2024

Our Remuneration Policy is designed to deliver balanced outcomes for our key stakeholders. We consulted with our top shareholders on proposed changes to the Remuneration Policy, providing details of the proposed amendments and offering meetings with the Committee Chair. Feedback received from shareholders was positive and constructive, and the updated policy will be put to shareholders at our 2024 AGM.

Engaging with our stakeholders continued

Engaging with our customers



Key topics

- Availability of products due to peak demand.
- Pricing and terms in project and contract work to reflect inflationary and external pressures.
- Awareness and understanding of new legislation, such as Biodiversity Net Gain (BNG) or BNG reporting targets for housing products projects from 2024 onwards.
- Ability to supply and provide a source of credit.
- Innovative solutions to meet changing demands.
- Growing focus on sustainability.

How we engage

- Face-to-face meetings to negotiate support mechanisms and discuss pricing pressures.
- Industry boards, for example Constructing Excellence and the Construction Products Association.
- Representation on a range of subgroups such as UK Green Building Council, Institute of Engineering Technology and CIBSE, and The Future Homes Hub.
- Establishing strong and long-standing relationships and encouraging open discussions.
- Supporting and mitigating planning constraints where possible to address biodiversity and strategic conservation initiatives.

Challenges

- Managing all customer requirements and balancing supply and demand.
- Delivering products overseas, in particular the Middle East.
- Understanding how the various standards, codes and planning requirements are applied and the opportunities available.
- Contractors and third parties experiencing financial difficulties as a result of external pressures.

Outcome

- Minimising bad debt loss from third parties.
- Prevention of large-scale migration of customers.
- Streamlined shipping and transportation resulting in a reduction in costs and increase in quality.
- Investments in machinery and technology.
- Identification of Genuit Group products which assist with the challenges of obtaining BREEM credits such as reductions in water, carbon and transportation.
- Engagement in proof of concept projects and being awarded a number of initial trials.

Value

- Improve technical knowledge of teams and create better specifications for customers.
- Marginal market share gain.
- Positive cash flow within businesses, minimised losses and ongoing supply.
- Improved customer satisfaction and loyalty.
- Faster deliveries and increased volume with a lower transfer price in new markets.

Engaging with our shareholders



Key topics

- Longer-term financial returns with demonstrable sustainability at the core.
- Ability to deliver above-market organic growth alongside an effective M&A strategy.
- Understanding of the Group's strategy and the progress being made against it.
- Confidence in senior leadership team and their ability to effectively execute and deploy the strategy.
- Resilient performance in the face of external market pressures.
- Limited exposure to commoditisation and downward price pressure.
- Effective risk management.
- Robust governance structure to provide confidence in the leadership of the Board.

How we engage

- Investor meetings offered annually by our Chair to our top shareholders.
- Direct engagement with our Remuneration Committee Chair on remuneration-related matters, including the updated Remuneration Policy.
- Increased participation in broker and bank-sponsored events, including lunches, fire-side chats, investor speed-dating events and other relevant conferences.

- Proactive direct shareholder engagement via one-to-one meetings and tours of our manufacturing sites with analysts and investors.
- Roadshows and salesforce briefings after each results announcement.
- Up-to-date information through publications on our website and establishment of internal workstreams to continuously improve external-facing communication channels.
- Strategy progress updates and Capital Market Events.

Challenges

- Changes in leadership following departure of CFO and COO during 2023 and requirement to maintain consistent messaging and confidence in the Executive Team.
- Demonstrating the effective deployment of our strategy within the context of external market pressures.

Outcome

- Continued demand for the Company's shares (heightened shareholder returns).
- Support for strategy and its deployment.
- Positive feedback on information shared and methods of communication which enable continuous improvement to levels of engagement.
- Attracting new investors, including those based overseas.
- Confidence of shareholders in the Company's governance structure and approach to remuneration.

Value

- Resilient business supported by its shareholders.
- Strategy Progress Update built on the positive momentum created via an earnings upgrade and share price outperformance of sector to date.
- Progressive dividend policy.

Engaging with our stakeholders continued



Strategy Progress Update

On 22 November 2023, Joe Vorih, Chief Executive Officer (CEO), and Tim Pullen, Chief Financial Officer (CFO), hosted a Strategy Progress Update in London for investors and analysts, which was also broadcast live for those unable to attend in person. Other key members of the leadership team were also in attendance.

The update focused on the progress against our Sustainable Solutions for Growth strategy, as first communicated at our Capital Markets Day in November 2022, and was an opportunity for management to engage directly with shareholders and share details of our progress on the deployment of our strategy, sustainability ambitions, and the effectiveness of the streamlined structure of three Business Units.

The event was well attended and included a presentation by the CEO and CFO, followed by a Q&A session, allowing in-person and virtual attendees to raise questions and receive direct feedback. We also offered attendees the opportunity to interact informally with other members of the senior management team.



Scan to register and view our SPU held in November 2023



Recycled material supplier optimisation

During the year we reached out to existing and potential new suppliers to highlight the importance of high-quality and consistent supply of recycled material. We engaged with suppliers to share internal material specification sheets and discuss the different testing and trialling capabilities of each to ensure they can test for the relevant properties and provide evidence their material would comply with our specifications over a sustained period.

We visited the suppliers' sites to view their waste treatment processes and testing labs to evaluate their processes for producing high-quality recycled materials from waste streams. The suppliers also visited our manufacturing sites to obtain a greater understanding of our processes. This built trust, improved communication channels throughout supply and delivery, and the increased sharing of knowledge meant suppliers were able to provide further advice to optimise our manufacturing processes.

Engaging with our suppliers



- Issuing of Supplier Code of Conduct and Sustainability Code of Conduct to ensure clear and consistent messaging.
- Conduct supplier audits where relevant.

Challenges

- External market pressures and fluctuating prices.
- Suppliers attempting to drive lower prices and shorter payment terms.
- Evolving nature of PVC recycled material supply chain.

Outcome

- Increase a sustainable portfolio of products with longer-term surety of supply.
- Savings benefits above target expectations.
- Constant supply, minimal delivery issues and appropriate material availability.
- Reduction in risk and increased willingness from suppliers to provide requested stock.
- Consistent quality of recycled material ensuring efficiencies and progress with sustainability projects.
- Increased awareness of the Company's core vision on sustainability and the short and long-term needs from suppliers.

Value

- Savings benefits and framework to realise a reduction in supply chain risk.
- Improved process for supplier due diligence.
- Production continuity and customer orders fulfilled.
- Improved assurances of ethical working practices and compliance.
- Contribution to the maintenance of return on sales performance despite the current external market pressures.

Key topics

- Decline in volume and softening of commodity and energy prices, resulting in suppliers being overstocked and reducing margin to gain volume.
- Ukraine/Russia conflict causing route to trade issues and affecting fuel, oil, timber and energy costs and supply.
- Payment terms and the ability to supply.
- Increasing focus on supply continuity and cost of recycled material.
- Sustainability issues and assurance of ethical working practices.

How we engage

- Targeted engagement with suppliers across Group and local businesses. Group procurement teams focus on agreements with key strategic suppliers, particularly on recycled materials, and local procurement teams focus on pricing.
- Face-to-face and virtual meetings, digital communications for general items and policy updates, formal tenders for sourcing and procurement.
- Specific engagement with recycled polymer suppliers including site visits in the UK, Belgium and the Netherlands.
- Invite suppliers for tours around the businesses to invigorate new product development.

Engaging with our stakeholders continued



Green Construction Board Biodiversity and Environmental Net Gain Group

The Green Construction Board identified biodiversity and environmental net gain as a key area of focus which needed greater emphasis within the construction industry, developing a biodiversity roadmap to provide a direction of travel for the industry on how to address the biodiversity crisis and move towards an environmental net gain. Genuit's engagement as a leader in surface water management, together with the expertise and data from our blue-green roofs, supports and encourages the industry to adopt a 'stacking' approach, combining water and ecosystems services to obtain BNG requirements. This provides the Group with a better understanding of the BNG planning requirements for new housing developments, and this early engagement allows Genuit as a leading manufacturer to be involved in the early stages of design and planning and to offer technical insight and innovative sustainable solutions as part of the wider challenge of adaptation to climate change.



The Housing Forum Futures Network

The Housing Forum is a cross-sector membership network of organisations, from the public and private sectors, driving quality and supply in UK housing. The Housing Forum has a Futures Network, which consists of a cohort of next generation professionals involved with the built environment. Each cohort of mentees has an individual mentor from The Housing Forum board to assist them during the project. One of our colleagues is Chair of the Futures Network and another colleague acts as a mentor. This insight allows for better understanding of the value of collaboration, how the different organisations function in the construction industry and provides support to individuals in the early stage of their development. This provides the Group with an opportunity to educate the industry on sustainable products, and helps the Group better understand the challenges key stakeholders have in delivering various forms of sustainable housing. It also provides a platform for Genuit to develop and support sponsored rising talent.

Engaging with our communities



Challenges

- Ensuring we dedicate time and resource meaningfully.
- Anticipated changes in industry regulations or advancements in technology, requiring the development of new training programmes.
- Reduction in opportunities due to market conditions.

Outcome

- Long-standing relationships with education sectors and charities across local communities.
- Improving the ability, opportunity and dignity of those disadvantaged within our local communities on the basis of their identity.
- A pipeline of work-ready students with engineering and digital specialisms.
- Cleaner and friendlier areas for the local communities.
- Full-time employment opportunities for interns.
- Increasing awareness of climate resilience and adaptation across the built environment.

Value

- Development of financial and practical skills to increase opportunities for those from low socio-economic backgrounds.
- Commitment to the delivery of effective education to disadvantaged student populations.
- Reducing the impact of our activities on the environment.
- Local business, Genuit brand awareness and development of reputation.
- Nurturing the next generation of engineering talent.
- Becoming an employer of choice in local communities.

Key topics

- Supporting local education to develop career aspirations, as well as local charities.
- Social inclusion and sharing of knowledge and expertise across communities.
- Employment opportunities.
- Sustainability and the impact of climate on the built environment, notably minimising environmental impact.
- Mental health and wellbeing.

How we engage

- Direct engagement at local trusts.
- Creating opportunities for students to develop their business knowledge and entrepreneurial skills including leadership and business modelling.
- Environmental tidy days across local sites.
- Encouraging applications for vacancies and promoting manufacturing companies as a great career opportunity across many occupations.
- Collaborating with local colleges to include neuro-diverse students as interns within the business.
- Charity and sponsorship for local schools, community groups, and sports teams.
- Educational initiatives and support in heating, engineering and reduction of carbon emissions.
- Attending social inclusion events to reinforce and support community understanding of the importance of inclusion.