

**MATERIALS SOLUTIONS LIMITED (the "Company")**

**Section 172(1) Statement for Financial Year Ended September 30, 2020**

The directors of the Company must act in accordance with a set of general duties. These include a duty under s.172 of the Companies Act 2006 to promote the success of the Company for the benefit of its members, and in doing so have regard (amongst other matters) to:

- 1) the likely consequences of any decision in the long term;
- 2) the interests of the Company's employees;
- 3) the need to foster the Company's business relationships with suppliers, customers and others;
- 4) the impact of the Company's operations on the community and the environment;
- 5) the desirability of the Company maintaining a reputation for high standards of business conduct; and
- 6) the need to act fairly as between members of the Company.

Understanding the perspectives of the Company's stakeholders and building good relationships enables their views to be taken into account by the Board of directors of the Company ("Board"). The Board uses forums such as the Extended Board Meetings ("EBM") plus the Siemens Energy Management Meeting ("SEMM") cascades and other sessions to ensure they are well informed to make key decisions. All Board members participate in the EBM and SEMM cascades which have representation from all Business Unit and Support functions. Given the size and nature of Siemens Energy in the UK, stakeholder engagement often takes place at both an operational and senior management level as well as by the Board, the mechanisms that are in place provide a good basis to ensure stakeholder feedback is considered in the operation of the Company.

<b>Employees</b> <i>Striving to be an employer of choice, Siemens Energy places value on creating a culture of learning, promoting diversity and fostering equality</i>	
Engagement	Key topics, decisions and outcomes influenced by this stakeholder group
<p>Siemens Energy succeeds through its people. Fostering the health and performance of Siemens Energy employees as well as safeguarding their working conditions are core to Siemens Energy social and business commitment.</p> <p>All our employees including apprentices and graduates are supported in growing and developing in their roles by the availability of comprehensive training programmes to equip them for both current and future roles. In addition to technical training, all our employees have access to learning and development resources that are individual, transparent and self-driven.</p> <p>The views of our employees are critical in helping us continually improve ourselves as an organisation, and regular employee engagement surveys enable us to both further understand our employees' perspective and generate ideas which can benefit everyone.</p>	<p>The Company commits to supporting the physical and mental wellbeing of all employees, engaging with Occupational Health providers and various wellbeing partners to achieve this. Across the Company, Wellbeing Champions and Mental Health First Aiders are part of a strategic approach to wellbeing which aims to equip our managers and employees with the tools to cope with the stresses and strains of life and make healthy lifestyle decisions. All employees have access to an Employee Assistance Programme (including counselling where required) as well as to various training courses on topics such as: Stress and Resilience, Mental Health Awareness, Mindfulness and Body Mechanics.</p> <p>One effect of the COVID-19 pandemic has been to accelerate the flexibility of how our employees work. With Siemens Energy already committed to Employee Led Flexibility via its #bettertogether programme, in many cases employees are able to carry out their roles in a way which best fits their preferences and circumstances, reflecting the commitment of Siemens Energy to mobile working which includes working away from traditional workplaces, and instead working at home or other locations which suit both employees and the Company. This has become increasingly embedded as the 'New Normal' way of working for many of our employees.</p> <p>Siemens Energy is committed to building a welcoming, inclusive and diverse organisation. We understand diversity as a fact and inclusion as a choice: we want a diverse workforce that not only reflects today's society, but also makes best use of it by real inclusion. This means, we respect</p>

Employees can also make their views known through employee representative bodies, whether at a local, business or national level. These bodies provide a mechanism for ongoing dialogue between Company management and the employees' representatives on all aspects of the Company's operations. Furthermore, a confidential whistle-blowing hotline called 'Tell Us' enables employees to raise concerns about any aspect of Company practices or behaviour.

Diversity and Inclusion initiatives have focused on inclusive culture, LGBT inclusion, racial and gender equality and equal opportunities for people with disabilities. Siemens Energy has sought to influence these topics externally through influencing and collaboration with customers and other Siemens Energy businesses through workshops, hosting webinars and on social media.

and value each other, so that everyone can fully develop their potential.

We use "inclusion" to describe our commitment to being an open and inclusive Company, striving to create safe, welcoming workplaces with a culture that encourage equality and belonging. We listen respectfully to learn from others and leverage our differences to innovate for better solutions. An inclusive culture brings our purpose to life; it ignites our innovation potential, paves our way towards a sustainable future and helps us transform ourselves and our customers.

We use "diversity" to describe our commitment to recognising and respecting the differences between people whilst valuing the contribution everyone can make to our business. We do not tolerate discrimination or bias of any kind. At Siemens Energy, we want every person to bring their whole self to work and trust that their potential will be fulfilled.

We have three strategic drivers that form the basis of our plan for Diversity and Inclusion:

**Equal Opportunity:** We are committed to fair and transparent practises for the attraction, promotion, development and retention of diverse people with different skills, abilities and ideas. We will listen, learn and act to visibly demonstrate to all our employees that we are committed to multivariate diversity. The Board is responsible for overseeing the Company's progress in closing the gender pay gap and publishes each year a Gender Pay Gap report.

**Belonging:** We make our mix work by creating an inclusive culture where people feel respected, engaged, able to speak up and be themselves.

**Society and Partnerships:** We work together, internally and externally, with customers and partners to support us in becoming more diverse and inclusive.

Customers, Suppliers and Business Partners	
<i>Business relationships with the Company's customers, suppliers, and other business partners are fundamental to Siemens Energy.</i>	
Engagement	Key topics, decisions and outcomes influenced by this stakeholder group
<p>Customers are always at the centre of our thinking with regard to technology, innovation and how to best consult and support them. Our main goal is to establish ourselves as the partner of choice for our customers by fostering close and trusted partnerships.</p> <p>Siemens Energy engages with 2000+ suppliers with 55% of these being third party and 45% being suppliers within the Siemens Energy Group.</p> <p>Our suppliers add value to Siemens Energy and our stakeholders through product innovation, quality, availability and investment. We rely on our suppliers to provide a competitive and transparent supply chain, which we develop to ultimately generate affordable clean energy. Our aim is to create sustainable diversity and safety for our people and for the people in our supply chain.</p> <p>All suppliers can access our supply chain management "About Us" communication page which encompasses collaboration, our supplier management portal and sustainability in the supply chain.</p> <p>We have implemented correct purchasing guidelines for all our Business Units which ensures a standard global framework is in operation on how we engage and manage suppliers at Siemens Energy.</p> <p>All suppliers are required to sign our Code of Conduct which clearly sets out the standards and principles when working with Siemens Energy, including on topics such as inclusion, diversity and sustainability. Suppliers must agree to follow the Code of Conduct and also implement it within their own supply chains.</p> <p>Our procurement teams are committed to developing business relationships formed by committed organisations to maximise joint performance for achievement of mutual objectives and creation of additional value. For strategic suppliers a member of the senior management team act as an owner of the relationship. Regular collaboration workshops are held which are attended by senior management from Siemens Energy and the supplier to discuss the wider aspects of the relationship.</p>	<p>Siemens Energy has continued to keep its customers and suppliers informed of its Brexit preparations and actively engaged suppliers to check their readiness which have been overseen by Board members. Actions include resource planning, reviewing, and where necessary, adjusting our systems and processes and working with our supply chain in order to minimise disruption to our stakeholders.</p> <p>Liquidity of our suppliers is critical to ensure a sustainable supply chain and Board members support this through reviewing our payment performance; ensuring availability of electronic invoicing and engagement of senior management with suppliers who are showing signs of financial stress. We have extended our supply chain finance solution in order to facilitate the sale of receivables under attractive conditions which optimises the suppliers cashflow and working capital including a reduction in administrative costs. Our electronic supplier integration programme (ESI+) continues to be rolled out to improve receipt and payment of invoices which makes the process even faster, more efficient and more transparent.</p> <p>Siemens Energy has joined the Buy Social Corporate Challenge, an initiative aimed at embedding positive social and environmental impact into everyday business spend. The UK Government-backed Challenge sees a group of businesses committed to collectively spend £1 billion with social enterprise suppliers. We have started to pilot in some of our Business Units how we can utilise social enterprises local to our project sites.</p> <p>In alignment with specific customers, Siemens Energy are actively working with suppliers to ensure all directly employed people and people employed within its sub-contractors are paid the real living wage.</p>

Communities and Environment	
Siemens Energy is committed to our purpose 'we energise society' which is supported by our Sustainability approach. Social Impact is delivered through our Corporate Society Responsibility (CSR) strategy and protection of the environment is supported by our Decarbonisation and Zero Harm Programmes.	
Engagement	Key topics, decisions and outcomes influenced by this stakeholder group
<p>Siemens Energy Corporate Social Responsibility ("CSR") "Social Value Strategy" is led by a core team, supported by a network of local site and project ambassadors.</p> <p>Siemens Energy is committed to demonstrating good corporate citizenship, empowering all our employees to undertake volunteering to support charities or organisations. This is achieved by donating business resources including employee time, knowledge, skills, and materials. In addition, Siemens Energy supports charities and organisations to tackle social issues and improve the local communities where we operate, collaborating with our stakeholders.</p> <p>A governance, measurement and assurance programme has been established to ensure delivery of our CSR strategy; the focus is on three themes:</p> <ul style="list-style-type: none"> <li>• Energy transformation</li> <li>• Access to education</li> <li>• Sustaining communities</li> </ul> <p>Siemens Energy have adopted a UK and Ireland Strategy to decarbonise our business, our supply chain and become climate neutral.</p> <p>Siemens Energy global Zero Harm programme supports protection of the environment with four core principles underpinned by behaviours and building blocks for local programmes. Zero Harm behaviours for protection of the Environment:</p> <ul style="list-style-type: none"> <li>• We will act to reduce the environmental impacts of our work activities and protect resources.</li> <li>• We will never ignore any opportunities to minimize energy usage and waste generations.</li> </ul> <p>The building blocks to support Zero Harm for the Environment: Decarbonization, Product Stewardship and Conservation of Resources.</p> <p>To develop our CSR approach at Siemens Energy we asked the question - how our future programme could support the Energy Transition? We sought out colleagues with a common purpose around CSR and the Energy Transition to explore this question and establish a framework, with a series of monthly CSR Discovery Workshops (commenced in June 2020). With collaboration at the heart of the workshops, questions were explored around the successes and failures of CSR, both past and present, and agreed a vision for CSR at Siemens Energy. The stakeholders engaged in this process formed an inclusive and diverse group including our Vice President and senior managers. A variety of techniques were used to engage dialogue and explore key themes for example the 'Extreme Ownership' concept. The workshops offered an inclusive, safe and unconditionally supportive environment, for</p>	<p>The Siemens Energy Corporate Social Responsibility ("CSR") "Social Value Strategy" for financial year 2021 will deliver outcomes around three key themes:</p> <p>Energy transformation</p> <ul style="list-style-type: none"> <li>• Charity relationship to be developed to support Siemens Energy purpose #weenergisesociety</li> </ul> <p>Access to education</p> <ul style="list-style-type: none"> <li>• STEM projects designed for the local needs of each Siemens Energy business</li> <li>• Virtual resources for engagement with local schools (COVID-19 and beyond)</li> <li>• Virtual Work Experience resource to increase accessibility for students and increasing social mobility</li> <li>• Diversity and Inclusion in education (in partnership with Stemettes).</li> </ul> <p>Sustaining communities: Charity Donations and Volunteering:</p> <ul style="list-style-type: none"> <li>• MIND – fundraising to support the mental health charity</li> <li>• Wildlife Trusts – volunteer days (available to all sites – COVID-19 dependant and deferred)</li> <li>• Fundraising support for Local Charities (nominated by each Siemens Energy site)</li> </ul> <p>To measure Social Value of CSR activities, Siemens Energy has partnered with the Social Value Portal organisation and is using the National TOMs framework.</p> <p>The Siemens Energy Decarbonization strategy for 2021 will deliver outcomes around key targets with a team and structure. Current carbon footprint assessed, segregated into scope 1, 2 and 3 (partially) emission categories. Siemens Energy UK strategy to achieve:</p> <ul style="list-style-type: none"> <li>• Reduction in absolute energy</li> <li>• Annual energy performance targets</li> <li>• Replace natural gas used for heating on sites</li> <li>• Reduction of carbon emissions from Gas Test</li> <li>• Transition Siemens Energy vehicle fleet to be 100% low emission vehicles</li> </ul> <p>Reductions already achieved (baseline: 2014/15 data) and Siemens Energy will re-baseline in FY21 (first full year as Siemens Energy).</p> <p>Data now being reported for Siemens Energy will be certified to ISO 5001:2018 and verified by the Carbon Trust standard.</p>

experiences to be shared. The CSR strategy was presented to the Board for final approval and will be published on the Siemens Energy website.

To develop our Decarbonisation Strategy, workshops were held that brought together stakeholders from across the business, including senior management as sponsors, which also included technical experts with an in-depth understanding of Siemens Energy carbon footprint. A strategy was developed by looking at the most significant risks to Siemens Energy, areas of potential positive impact, and understanding of the wider context in which Siemens Energy operates, taking into account views of key stakeholders. The Decarbonisation strategy with targets for achieving Carbon Neutral by 2030 was presented to the Board for final approval, and the strategy will be published on the Siemens Energy website.

It will drive reduction of carbon emissions through internal pricing mechanism with an overarching communication campaign to ensure buy-in.

<b>Government, Regulators and Trade Associations</b> <i>Continuous dialog with policy-makers is extremely important for the success of a global company like Siemens Energy.</i>	
Engagement	Key topics, decisions and outcomes influenced by this stakeholder group
<p>Siemens Energy is politically neutral, but we operate in markets which are shaped by UK Government policy, either directly or indirectly. We are also providers of solutions to some of the most pressing issues facing the planet, such as digitisation, decarbonisation and urbanisation. As a result, we are regularly consulted on economic and policy issues by governments, business associations and civil society.</p> <p>Our external engagement is governed in full accordance with our Company commitment to responsible and sustainable business. In doing so, we often meet with policymakers directly. We also engage through memberships of industry organisations such as Energy UK, Renewable UK and Make UK. These allow Siemens Energy to engage with peers and regulators to discuss emerging policies, regulation, and innovation.</p>	<p>Siemens Energy engages with policymakers at all levels in the UK Government, devolved nations and on a cross-party basis.</p> <p>Recently, for example, members of our EBM have had meetings and discussions with the Department for Business, Energy and Industrial Strategy (“BEIS”), Number 10 energy policy team and the Department for International Trade, to discuss and understand the UK Government’s approach to reaching net zero and how energy policy will deliver this. Members of the EBM are also involved in joint Government-Industry working groups on developing hydrogen policy in the UK.</p> <p>There has been further political engagement with MPs and local political stakeholders in relation to construction projects and site footprints.</p> <p>Engagement with Make UK has included employment policy implications of COVID-19 such as the furlough scheme and the Skills Survey post COVID-19. Siemens Energy participates in several Energy UK committees covering public affairs and policy development covering a range of topics. In addition, we have received information through our membership on the discussions Energy UK is having with BEIS and the Department of Health and Social Care relating to COVID-19.</p>

<b>Siemens Energy AG Group Companies</b> <i>The Siemens Energy Group is building our new Company for long-term value creation through focusing on the energy market transformation and stronger profitability with a simplified and leaner Company structure.</i>	
Engagement	Key topics, decisions and outcomes influenced by this stakeholder group
<p>Siemens Energy AG was listed on September 28, 2020 following the spin-off from Siemens AG. The background was to give the Siemens Energy individual businesses significantly more entrepreneurial freedom under the strong Siemens Energy brand in order to sharpen their focus on their respective markets.</p> <p>The Company has a twin track approach, delivering improved bottom line performance through its <b>PG2020</b>, <b>GP2020+</b> and <b>Accelerating Impact</b> programmes while creating long-term value through its <b>Energy of Tomorrow</b> programme with a focus on:</p> <ul style="list-style-type: none"> <li>• The supply side (low or zero emission power generation),</li> <li>• The distribution side (transport of and energy storage) and</li> <li>• The demand side (reducing CO2 emissions through electrification)</li> </ul> <p>All the above is underpinned by an Environmental, Sustainability and Governance (“ESG”) programme.</p> <p>The strategic decisions of the Siemens Energy AG Group influence the decisions taken by the Board which, in turn, adapts the Group strategy for the UK specific market taking into account UK customer, employee and other stakeholder needs.</p> <p>The directors have a strong relationship with the EBM team which is made up of all UK Business Unit and Support Function Heads. This key stakeholder group regularly discuss the local Company strategy for implementation and adoption in their businesses or functions and regularly receive communications from the Siemens Energy AG Group Board to help inform progress and direction relating to the global strategy.</p>	<p>The Board and EBM members are in regular contact with customers and employees plus other key stakeholders and Industry bodies to provide valuable input and to influence the Board decision making processes.</p> <p>Employees have recently participated in the ‘Siemens Energy Voices’ employee opinion survey, this is in addition to ‘Ask Me Anything’ sessions with the Managing Director of the Board.</p> <p>Dividend proposals are also a key decision made each year with the Board having regard to the ability of the Company to make a dividend taking into account, amongst other considerations, local funding requirements and the needs of the parent Company.</p>