Section 172

This section serves as the company's section 172 statement and should be read in conjunction with the Strategic Report. Section 172 of the Companies Act 2006 requires directors to take into consideration the interests of stakeholders in their decision making. The directors continue to have regard to the interests of the company's employees and other stakeholders, including the impact of its activities on the community, the environment and the company's reputation, when making decisions. Acting in good faith and fairly between members, the directors consider what is most likely to promote the success of the company for its members in the long term.

Whilst the importance of giving due consideration to the company's stakeholders is not new, this statement explains in more detail how the Board engages with stakeholders and how directors have discharged their duty. All directors are aware of their statutory duties and on appointment to the Board, new directors are given opportunity to meet key stakeholders. The company's key stakeholders are its employees, customers, and suppliers.

The following key points are important in the assessment of the compliance with the requirements of the s172 Statement:

- Ahead of all group and subsidiary Board meetings, the directors are supplied with papers which highlight relevant stakeholder considerations and other factors considered relevant to the matter under consideration. The directors are in close contact with the senior management teams across the subsidiary businesses allowing good communication and feedback at a local level. The executive management team of the Last Mile group of companies attends the subsidiary executive committee meetings on a monthly basis.
- The Board regularly considers the principal stakeholders and how they engage with them. The Board seeks to consider the needs and priorities of each stakeholder group during its discussions and as part of its decision making.
- The long-term strategy of the company is monitored regularly to ensure this aligns with the vision of the group as a whole. The group tracks progress of each subsidiary business against a 5-year plan and a long-term operating model, which takes inputs from each subsidiary business and allows not only a review of the current phase of strategic development but also of the impact of future growth areas across the group. Input is regularly taken from specialists within the business and externally about what issues might frame the commercial environment in which the company and group will operate in the future. The resulting assessment of future development helps inform the Board's decision making and the balance between short term and long-term measures and actions.
- The Board continues to enhance its methods of engagement with the workforce through regular internal communications which are delivered by the subsidiary management teams. Annual group engagement surveys are carried out and key actions followed up through regular communication to all employees. The group is focussed on continuing to invest in its people and this communication channel is vital to ensuring that we are continuing to build an engaged workforce. Key focus

areas include building our learning and development capabilities, including the link with career progression and succession planning, regular benchmarking of benefits across all grades and review of more flexible working arrangements.

- The group actively engages with banks and other lenders to build and maintain strong relationships. The Board proactively ensure compliance with all borrowing covenants and ensures all reporting requirements are kept up to date. Business updates are provided on a bi-annual basis.
- The Board aim to always work responsibly with suppliers. In addition to robust audit and compliance checks on suppliers, the Board annually reviews the arrangements and approved the group's Modem Slavery Transparency Statement which sets out the steps taken to prevent modern slavery in the business and supply chains.
- The group's policies on a wide range of business and ethics related practices are regularly reviewed and updated as necessary to ensure continued compliance with legal and regulatory requirements and good industry practice. The Board monitor the group's policies through the ordinary course of business to ensure the policies are being adhered to.
- As outlined in the Strategic Report, the company's ultimate parent undertakings and controlling parties are Infracapital Partners III (Euro) SCSp, a partnership established in Luxembourg ("Infracapital") and Macquarie European Infrastructure Fund 7 SCSp, a fund established in Luxembourg ("Macquarie").
- The Board will continue to keep engagement methods under review to ensure that they remain effective.