

The Carey Group Board of Directors benchmarks its corporate governance processes and behaviour to the Wates Principles, published by the FRC in December 2018. While the Group is not required to apply these principles, the Board of Directors takes the view that these principles represent best governance practice for large private companies and is committed to using them to assess the Carey Group's own governance.

### **Purpose and leadership**

The Carey Group is a proud family enterprise and the strategy and purpose are founded on the values established by the Founders over 50 years ago.

Now that the Group has celebrated its 50th anniversary, the Shareholders have made a series of key appointments as part of their managed process to change the balance of control of the Group and enable the baton to be transferred over time to the next generation of the family. This second generation of the family now occupy key roles on the Board as Chief Executive Officer, Chief Operating Officer and Company Secretary as well as Head of Careys Foundation.

The Group's vision is *"To be the most trusted and socially responsible construction company, that people are proud to work with"*.

The Board of Directors is responsible for the Group's culture and will consider key proposed actions against four required values: care, humility, passion and authenticity. These values and the behaviours that underpin them resonated with the shareholders and senior leaders.

The strategy is underpinned by three strategic goals which are designed to ensure that achievement of sustainable financial performance is appropriately balanced with maintaining the Group's culture and longer-term sustainability. These strategic goals are captured under three headings: Great Place to Work, Operational Excellence and Partner of Choice. A range of measurable targets are in place for each strategic goal and are monitored regularly by the Board of Directors. These strategic goals are underpinned by a principle of Financial Strength.

The Carey Group are an Equal Opportunities Employer and we adopt strong processes to comply with the Equalities Act 2010. However, the Board of Directors recognises that, in common with most of UK business, we need to make sure that our whole business is an environment which is openly inclusive and where everyone feels able to bring their authentic selves to work. To address this, we have formed an Inclusion and Diversity Council led by our CEO and overseen by the Board of Directors. We are determined that people of all genders, ethnicities, sexual orientation and age feel at home. This has historically been an area of challenge for our sector.

### **Board composition**

After a thorough selection process, Jason Carey was formally appointed as permanent CEO in May 2020. The Board of Directors will continue to keep the roles of Chair and CEO separate to provide appropriate leadership checks and balances.

In addition to the appointment of a new permanent CEO, the Board of Directors appointed a new COO and CFO and also appointed its first independent Non-Executive Director. Beneath Board level, the Group has made important new appointments on the Senior Leadership team for Heads of Sustainability, Finance, IT, and Legal. All Board members have formal role descriptions setting out the areas for which they are accountable and the Board of Directors hold formal Board Effectiveness reviews. These reviews consider diversity within the Board of Directors in line with the Group's Inclusivity and Diversity programme.

A calendar of Board meetings is issued annually in advance, each meeting has a clear agenda and papers are issued well in advance. The Chair and Company Secretary ensure that all Board members have the opportunity to contribute to each agenda topic and all key decisions and actions are carefully recorded in the minutes.

The Nominations Committee under guidance from the Chair has significantly enhanced the Board of Directors and now enjoys a balance between family members totalling over a 100 years of service at the Carey Group, and members who bring a range of specialist skills and experiences and an external perspective. There are three family members, four non-family members and a family Company Secretary.

The Board of Directors is responsible for establishing strategy and policies, monitoring the progress of the Group and ensuring that the Carey Group's values are upheld. There is a Schedule of Matters reserved for the Board of Directors' decision.

Much of the day-to-day operation of the Group is delegated to the Executive Committee which is chaired by the CEO and meets monthly.

The Group has a Delegation of Authorities schedule with formal papers presented at each Board of Directors and Executive Committee meeting and the key reporting metrics have been refreshed to align with the new strategic goals and principle.

The Board of Directors have recently approved and communicated new policies for anti-bribery and corruption, money laundering and hospitality along with a new whistle-blowing process, which is administered by an external agency.

## Committees

The Board of Directors has four standing Committees, the Risk and Audit Committee (which meets at least quarterly), the Remuneration Committee, Nominations Committee and the Sustainability and Social Responsibility Committee (which meet as required).

The Risk and Audit Committee is chaired by the Independent Non-Executive Director and has implemented a series of measures to strengthen the Group's internal control framework, including the introduction of an internal audit function to ensure that the Board of Directors has on-going assurance regarding the suitability and effective operation of its key internal controls.

The Group has a strong health and safety culture and track record, the Board of Directors sees maintaining and building on this culture as one of its key objectives. Health and safety is monitored at every Board meeting, with specific issues being delegated to the Risk and Audit Committee as appropriate. The Board of Directors has consulted with the British Safety Council to ensure that the Group's health and safety practices are fully aligned with UK best practice and will continue to seek new ways to collaborate with clients and other key stakeholders on health and safety initiatives.