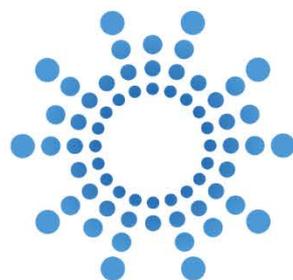
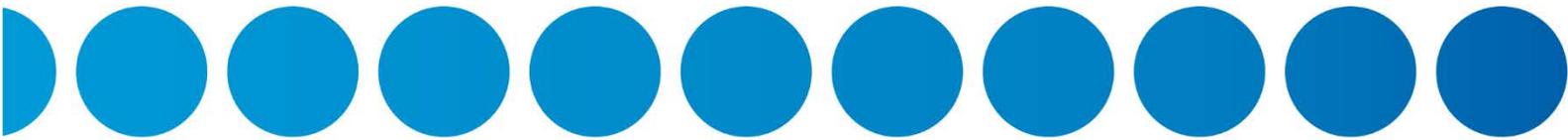


SGN Commercial Services - Section 172(1) Statement

2019/20



SGN
Commercial
Services



The Directors of the Company consider that they have acted in the way they consider would be most likely to promote the success of the company for the benefit of its members as a whole (having regard to the stakeholders and matters set out by the S.172 (1) requirements, (a) - (f) in the decisions taken during the year ended 31 March 2020.

In particular with reference to the "Gas to the West" project, a high-pressure pipeline construction project in Northern Ireland. This is a major energy infrastructure project to extend the benefits of natural gas to thousands more homes and businesses in the west of Northern Ireland and is supported by the board.

- **the likely consequences of any decision in the long term;**

The project was designed to have a long-term beneficial impact on our stakeholders and to contribute to the success of the company and the wider group. The construction of the high-pressure pipeline will allow another member of the SGN Group, SGN Natural Gas, to operate a low pressure pipeline which aims to deliver gas to 40,000 customers over the next 40 years in eight main towns in the western area of Northern Ireland.

- **the interest of the company's employees;**

The project has supported around 400 jobs during the construction phase, both within the company and through our project partners. We aim to be a responsible employer and the health, safety, and well-being of our workers is a primary consideration in the way in which we operate.

- **the need to foster the company's business relationships with suppliers, customers and others;**

The initial phases of the project included an intensive public consultation process and engagement with a wide range of stakeholders, and a comprehensive planning application was submitted and subsequently approved. As we have progressed through the construction programme we have continued to actively engage with our customers and stakeholders to minimise our impact and resolve any issues as effectively as possible.

- **the impact of the company's operations on the community and environment;**

The planning process and application included detailed considerations of how the project would impact the local communities and the environment as well as our wider societal responsibilities. These have been constantly monitored and through the delivered of the project.

- **the desirability of the company maintaining a reputation for high standards of business conduct;**

As the Board of Directors, our intention is to behave responsibly and ensure that management operate the business in a responsible manner, operating with high standards of business conduct and good governance, in particular through the exceptional delivery of projects such as Gas to the West.

- **the need to act fairly as between members of the company;**

As the Board of Directors, our intention is to behave responsibly toward our shareholders and treat them fairly an equally, so they too benefit from the successful delivery of this milestone project.