

BRICKABILITY UK HOLDINGS LIMITED

Year ended 31 March 2022

Section 172(1) Statement

In compliance with the Companies Act 2006, the directors are required to act in accordance with a set of general duties. During the year to 31 March 2022, the directors consider that they have, individually and collectively, acted in a way that they consider in good faith would be most likely to promote the success of the company for the benefit of its shareholders as a whole, having regard to a number of broader matters including the likely consequence of decisions for the long term and the company's wider relationships. In doing so, the directors have had regard to the matters contained in section 172(1)(a)-(f) of the Companies Act 2006.

The directors have regard, amongst other matters, to the:

- likely consequences of any decisions in the long-term;
- interests of the company's employees;
- need to foster the company's business relationships with suppliers, customers and others;
- impact of the company's operations on the community and environment;
- desirability of the company maintaining a reputation for high standards of business conduct; and
- need to act fairly between members of the company.

The directors recognise the importance of building and maintaining relationships with its key stakeholders, and considering the external impact of the company's operations, in order to achieve long term success.

Stakeholder engagement

The directors consider the views and interests of its key stakeholders when making decisions. During the year, the directors used information received to contemplate the potential impact of the company's decisions on those key stakeholders. This information was distributed in a range of formats, including reports and presentations on financial and operational performance, non-financial KPIs and risk. The directors acknowledge that not every decision made will necessarily result in a positive outcome for all stakeholders, with difficult decisions sometimes required based on competing priorities. By considering the company's purpose and values, together with its strategic priorities and having a process in place for decision making, the directors aim to balance those different perspectives.

As an intermediate holding company within the Brickability Group, the company does not have any employees, customers or suppliers. The board of directors (the "board") consists of directors from various divisions within the Brickability UK Holdings Group. Stakeholder engagement will often take place at an operational level, with each director reporting to the board their views of the stakeholders relevant to their own trading subsidiaries. In addition, certain stakeholder engagement will be led at at Brickability Group PLC group level, particularly when matters are of group wide significance.

The key stakeholders of the individual company are its:

- Shareholders, including those of its ultimate parent; and
- Subsidiaries.

Further details of these key stakeholders and how the company and directors engage with them are outlined below.

Shareholders

The company is a wholly owned subsidiary and its ultimate parent is listed on the AIM. Two members of the board are also members of the Brickability Group management board and thus company matters are regularly reported to the group's board through frequent meetings and communication. The company engages with its parent company on various matters including the group's strategy, group policies and governance matters.

Subsidiaries

The company engages with its subsidiaries through regular meetings, consulting them on a wide range of matters including group funding decisions, group policies, governance, operational matters and the delivery of the group's strategy.

Furthermore, directors take into account the views of a wider set of stakeholders, as outlined by the individual directors reporting to the board. This wider list of stakeholders includes group customers, suppliers and employees, industry regulators and the environment and community. Further details of these additional stakeholders are outlined in Brickability Group PLC's annual report and financial statements.

Impact on decision making

There has not been any significant change in the company's strategy during the year. Matters that have had an impact on the company's key stakeholders are as follows:

| Event | Stakeholders primarily affected | Impact |
|-----------------------------|--|---|
| Investment in joint venture | Shareholders, subsidiaries | <p>During the year, the company entered into a joint venture when it acquired a 50% share in Schermbecker Building Supplies GbmH, a tile manufacturer in Germany.</p> <p>The board considered the benefits and risks associated with such an investment, including the anticipated additional investment of management's time in the short-term until the joint venture becomes fully operational.</p> <p>The investment could benefit the company's subsidiaries by expanding their product range, mitigating the risk of delays or shortages in the supply of tiles and by widening their customer base in Europe.</p> <p>The board regularly engages with the company's ultimate parent through the Brickability Group PLC management board to monitor the joint venture's progress.</p> |