

BRICK-ABILITY LTD

Year ended 31 March 2024

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 2024, 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 and recognise the importance of maintaining relationships with key stakeholders to achieve long-term success. During the year, the directors received information to enable them to consider 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 the company's 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.

The key stakeholders of the company are its:

- Customers;
- Suppliers;
- Employees;
- Shareholders, including those of its ultimate parent; and
- Industry regulators and other public bodies involved in the UK Housing industry.

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

Customers

Customers expect value for money, with high quality products being delivered on time. The company is in regular contact with its customers to maintain close relationships and enhance its understanding of what products are required and by when. The directors acknowledge that customer demand is central to the success of the business and the company aims to meet expectations by providing high quality materials and service. The directors use their knowledge of key customers as a basis for making decisions that are likely to have an impact on them.

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Suppliers

Suppliers want to provide products to a company that honours its contractual arrangements and can commit to regular orders. The company has extremely good connections with its suppliers, to facilitate the supply of materials and meet customer demand. The directors liaise regularly with key suppliers regularly to ensure materials supplied are of the highest quality and that the supply processes are operating as efficiently as possible. Suppliers are expected to adhere to business principles that are consistent with those of the company, including with respect to health and safety, environmental, product quality, labour, human rights, social and legal standards. Supplier site visits enable the company to assess conformance with these standards.

Employees

Employees value job security, the opportunity to develop and being rewarded for their hard work. They also wish to work in an encouraging environment and be kept informed of changes in the business. Highly competent and engaged employees are key to maintaining successful relationships with the company's customers and suppliers. Many relationships have been established over a number of years and thus it is important to preserve a high employee retention rate. The company therefore aims to attract, retain and motivate the highest calibre of personnel. The directors engage with employees in a variety of ways, including regular office and team meetings. Appropriate training is also offered to develop and support staff. Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged.

Shareholders

The company is a wholly owned subsidiary, and its ultimate parent is listed on the AIM stock exchange. The directors therefore recognise the company's responsibility to contribute to the group's success, as the group ultimately aims to maximise its shareholder return in a sustainable manner. Company results and matters are regularly reported to the group's board and frequent meetings and communication takes place between the company's directors and the group's management.

Industry regulators

The company engages with various industry regulators and the government through consultations, meetings and forums. The company promotes a positive health and safety culture and ensures all staff consider health, safety and welfare issues at work. External agency reviews assist the company in ensuring compliance with all the latest and relevant laws and regulations.

Environment and community

In addition to the having regard for above key stakeholders, the company is committed to reducing the environmental impact of its operations and having a positive impact in the community. The company aims to minimise its waste and strives to recycle, utilise recyclable packaging materials and reduce carbon emissions as much as possible. The directors are responsible for setting a company strategy that coincides with that of the overall group. They therefore believe that having regard to the above stakeholders is relevant to the proper discharge of their duties under section 172(1).

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Impact on decision making

While there has not been any significant change in the company's strategy during the year, the main events to have had an impact on the company's key stakeholders are as follows:

Event	Stakeholders primarily affected	Impact
Issue of Long-term Incentive Plan (LTIP) share options	Shareholders, Employees	During the year, the Group issued LTIP awards to employees. This provided an opportunity to reward staff within the company and align the interests of both employees and shareholders, aiding the objective of retaining key employees.
Corporate governance	Shareholders	The board regularly engages with the company's ultimate parent through the Brickability Group PLC management board. This ensures that the company continues to comply with group policies and adhere to the group's high standards of business conduct.