

## BRUSH Group

### Section 172(1) Statement

#### **Section 172(1) statement**

This statement has been prepared in accordance with the requirements of The Companies (Miscellaneous Reporting) Regulations 2018, which requires the Group to describe how the Directors have had regard to the matters set out in section 172 of the Companies Act 2006 during the financial period under review.

In executing the Group's strategy, Directors must act in accordance with a set of general duties detailed in section 172 of the Companies Act 2006. These general duties include a duty to promote the success of the Group, and specifically to act in a way that the Directors consider, in good faith, would be most likely to promote the success of the Group for the benefit of its shareholder and, in doing so, having regard (amongst other matters) to the duties detailed in the sub-headings below.

#### ***Having regard to the likely consequences of any decisions in the long-term***

The Directors' approach to decision-making is to secure the financial stability of the business. Long-term framework agreements are entered into for the supply of new build units, for service provision and engineered solution contracts with significant customers to help achieve this goal, with scrutiny placed on the projected profitability of these contracts at the outset to ensure they are beneficial to the Group. Furthermore, the Directors have ensured that they are well placed to continue to service these customers through both the sale of parts, maintenance and service of the units.

The Directors continue to promote a diverse customer portfolio across a number of sectors and locations to ensure that there is no excessive reliance on only a few key customers in specific industries.

#### ***Having regard to the interests of the Group's employees***

The Group and Company pays particular attention to the fairness of its employment policies and the engagement of the workforce. The Group and Company have continued to drive employee engagement through regular communication via emails, All Hands Meetings to discuss significant developments and the introduction of the Talking BRUSH meetings which act as a forum to discuss both the positives and the negatives of the business with members of the key management team.

The individual Companies within the Group are all certified to ISO9001, utilising the "Plan Do Check Act" approach to encourage continual improvement, when operating their quality management system. All the UK manufacturing and site service Companies within the Group, are certified to ISO45001, successfully operating occupational health and safety management systems. All the UK based Companies are also certified to ISO14001, the environmental management system. CO.BO.T Srl based in Italy operates their occupational health and safety and environmental management systems in line with ISO45001 and ISO14001 and is working towards ISO certification for both these standards.

#### ***Having regard to the need to foster the Group's business relationships with suppliers, customers and others***

The fostering of successful business relationships is integral to the continued success of the business, and is achieved through regular meetings, which maintain an open line of communication between all parties. The Directors emphasise the need for professionalism and integrity to be demonstrated throughout all interactions with third parties as they recognise that engendering trust is vital to the value proposition being offered by the Group.

***Having regard to the impact of the Group's operations on the community and environment***

The Directors recognise that environmental sustainability, social responsibility, and corporate governance are important for the long-term future of our businesses.

As part of the Group's commitment to the long-term future, its Sustainability Policy Statement has been updated and re-issued (available on the Group's website) in which there is a commitment to integrate environmentally sustainable, socially responsible, and effective corporate governance into all aspects of its business.

The Group is working on several projects designed to support its customers in reaching Net Zero targets. In addition, the Group is evaluating joining the Science Based Targets Initiative (SBTi).

Furthermore, the Group recognises the important role it plays within the community and is looking to continue to build its relationships with local educational institutions by running several Apprenticeship schemes at the different manufacturing sites which will look to support and develop local talent. The investment by the Group has resulted in a record level of apprentices compared to the last few years.

***Having regard to the desirability of the Group maintaining a reputation for high standards of business conduct***

The Directors recognise that culture, values and standards are key contributors to how a Group creates and sustains value over the longer term and enables it to maintain a reputation for high standards of business conduct. High standards of business conduct guide and assist the Directors' decision making, and in doing so, help to promote the Group's success, recognising, amongst other things, the likely consequences of any decision in the long-term and wider stakeholder considerations.

The Group has invested in on-line training for all employees to embed the desired business behaviours and outline the expected business conduct expected from all staff members. This is further measured via annual performance development reviews.

***Having regard to the need to act fairly as between shareholders of the Group***

The Company has one class of ordinary shares. The ultimate, immediate and controlling parent company of BRUSH Group Limited as at 31 December 2023 was BRUSH Jersey HoldCo IV Limited.

On the basis of the above, the Directors consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Group for the benefit of its members as a whole (having regard to the stakeholders and matters set out in section 172(1)(a-f) of the Companies Act 2006) in the decisions taken during the period ended 31 December 2023.