

BUILDING SOLUTIONS (NATIONAL) LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

5. Environmental, social and governance

Public and commercial consciousness continues to evolve on a wide range of environmental, social and governance issues, including climate change, employee wellbeing and how an organisation contributes to society. The Company is part of the wider SIG Group's ESG commitments regarding reaching net zero carbon and sending zero waste to landfill, partnering with manufacturers and customers to reduce carbon and waste across the supply chain and becoming an employer of choice in the industry.

OUTLOOK

Looking ahead, we anticipate that market conditions will remain soft in 2026, though with some improvement compared to 2025. The ongoing instability in the Middle East is expected to continue influencing global supply chains and sentiment, adding an additional layer of uncertainty to the broader macroeconomic environment. Against this backdrop, the Company will continue to identify the areas of the market that are performing well and focus on these growth opportunities through both existing and new product lines. Productivity and cost-efficiency initiatives will deliver incremental benefits throughout the year, positioning the Company strongly to capitalise on a broader market recovery when it emerges. We are also continuing to launch new products in adjacent markets to offset the weaker performance of our traditional sectors. In addition, ongoing investment in automation and robotics is expanding our capacity and strengthening our capabilities for the future.

SECTION 172 AND STAKEHOLDER ENGAGEMENT

The Directors consider that they have performed their fiduciary duty, as stipulated under s172 of the Companies Act 2006 in good faith to promote the success of the Company for the benefit of its members as a whole. They have taken into consideration, amongst other matters: the likely long-term consequences of their decisions; the interests of the Company's employees; the need to foster relationships with suppliers, customers and others; the desirability of the Company maintaining a reputation for high standards of business conduct; and the need to act fairly between members of the Company.

The directors have identified its key stakeholders as its employees, customers, suppliers and the communities in which it operates. This section describes how the Board engages with its key stakeholders and how it considers their interests when making its decisions, and provides details on primary methods of engagement, why engagement is considered important, examples of issues raised by stakeholders and actions taken as a result of the engagement.

Employees

The business is fundamentally driven by its people. All engagement with our stakeholders happens through our workforce, making employee engagement central to the Company's long term success. Our growth and sustainability rely on fostering the right culture, supported by strong behaviours and a clear sense of purpose. Regular review meetings were held throughout the year to ensure staff are informed and engagement was maximised.

Key engagement activities include Group led Employee Engagement surveys, regular communication cascaded throughout the organisation to share company updates and celebrate achievements, and ongoing training and development initiatives, especially leadership training.

During the year, we continued to invest in staff training, strengthened our commitment to health and safety, and placed increased emphasis on employee wellbeing and mental health. We also expanded our toolkits to equip line managers with better resources to support the diverse needs of their teams.

Customers

Understanding our customers' needs and expectations is essential, and we use these insights to build strong, effective partnerships. High quality customer service is critical to sustaining and growing our revenues and profitability. By engaging closely with our customers, we continue to strengthen our sales capability, enhance productivity, and improve both our service and product offering.

During the year, we focused on several key actions: managing customer relationships at a local level, actively listening to customer feedback to better understand their requirements, and advancing our digital capabilities to communicate more effectively and support customer requests.

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SECTION 172 AND STAKEHOLDER ENGAGEMENT (CONTINUED)

Suppliers

The Directors understand that the Company adds value by procuring raw materials at the right quality and price to ensure the manufactured items perform to customers expectations and provide them with the longevity expectations that a quality product should give them.

Engagement activities include supply chain management and maintaining and growing supplier relationships, including holding regular meetings with key suppliers.

Local community

The Directors appreciate that environmental matters are important to all stakeholder groups who are calling on companies to do more on key sustainability topics and be more transparent about their efforts. The Company seeks to operate sustainably for the benefit of communities and the environment. We recognise that close relationships with the communities in which we operate help to foster the long-term success of the business.

Engagement activities include charitable events, involvement in charity projects and links with local universities to support student projects such as work experience and opportunities to join the business as an apprentice.

This report was approved by the Board on 30 April 2026 and signed on its behalf.



Amanda Huddleston
Director