

The Axis-CLC group of companies

Section 172 Statement

Published December 2024

The Directors have to explain how they considered the interests of key stakeholders and the broader matters set out in section 172(1) (A) to (F) of the Companies Act 2006 ('S172') when performing their duty to promote the success of the Company under S172.

This includes considering the interest of other stakeholders which will have an impact on the long-term success of the group.

The Directors have on going engagement with employees, suppliers, customers and others which fosters business relationships, this affects the principal decisions taken by the group during the financial year.

The strategic importance to Axis, and the level of information disclosed is consistent with the size and the complexity of the business.

General confirmation

When making decisions, each Director ensures that they act in the way they consider, in good faith, would most likely promote the group's success for the benefit of its members as a whole, and in doing so have regard (among other matters) to:

S172(1) (A) "The likely consequences of any decision in the long term"

The Board of Directors understands its business and the evolving environment in which it operates, including the challenges of the current marketplace including the shortage of skilled labour, increasing material prices, procurement of fleet, the merging of clients, the political effects of war and shifting risk appetites.

Based on a quality over price model and forging long-term relationships, the board intends to strengthen the company position as a leading supplier in the Facilities Management and Project based construction, while keeping safety and social responsibility fundamental to its business approach. The board is re-negotiating several contracts which will make acceptable returns, further strengthening Axis for future years. The Projects division will experience significant growth with the client base focusing on current stock instead of new build.

The shift to focus on current stock from new build will be significant and Axis is in a strong position to supply the client base.

There are many opportunities including Cladding, FRA, and Retrofit which Axis reviews on a project by project basis to ensure that if a project is taken it is of acceptable margin and risk.

The Board also recognises there is vast demand in the current market and the need to move to technologically advance platforms to remain at the forefront of the business sector.

The strategic ambition of quality over price, investment in technology and organic growth will increase long-term value for shareholders recognising that the long-term success of our business is dependent on our stakeholders and the external impact of our business activities on society.

The Directors recognise how our operations are viewed by different parts of society and that some decisions they take today may not align with all stakeholder interests. Given the complexity of Axis the Directors have taken the decisions they believe best support Axis.

S172(1) (B) “The interests of the group’s employees”

The Directors recognises the key assets, being its employees, are fundamental and core to the business and delivery of the future strategy. The success of our business depends on attracting, retaining and motivating employees. From ensuring that we remain a responsible employer, from pay and benefits to our health, safety and workplace environment, the Directors factor the implications of decisions on employees and the wider workforce, where relevant and feasible.

S172(1) (C) “The need to foster the group’s business relationships with suppliers, customers and others”

Strategic delivery requires strong mutually beneficial relationships with suppliers, customers, governments, councils, housing associations and others which all needs to be maintained and understood. Axis promotes and applies general principles in such relationships.

The ethos to pay on time where possible and promote the relationships with clients is an important factor to the success to Axis. The output decision to enter into relationships alongside Axis values remains the standard for long-term relationships.

The Board reviews and approves the approach to suppliers which follows a rigid PQQ process. The businesses continuously assess the priorities related to customers and those with whom we do business, and the Board engages with the businesses on these topics, for example, within the context of business strategy updates and investment proposals.

Directors receive information updates on a variety of topics that indicate and inform how these stakeholders have been engaged. These range from customer and supplier engagement, seminars, media, research to name a few.

S172(1) (D) “The impact of the group’s operations on the community and the environment”

The Group is acutely aware of its responsibility to the environment and has taken action to expand into the retrofit sector, put technology in place for operatives to reduce its carbon footprint as well as changing its fleet to reduce the impact on the environment and better serve its client base.

With the current IT infrastructure, office based staff have adopted a “hybrid” working environment which will reduce the carbon footprint.

A large percentage of the works carried out are for councils and housing association and includes replacement cladding projects with non-combustible materials as well as fire risk assessment to keep communities safe.

Axis engage in large planned works which includes replacement windows, roofs, kitchens and bathrooms all of which are beneficial to the community and environment.

Axis also has a Foundation which contributes to many causes and over the years the donations are in excess of £2m. The company contributed £196,499 during the year ended 31st March 2024.

S172(1) (E) “The desirability of the group maintaining a reputation for high standards of business conduct”

Axis will continually strive to maintain its core values and standards as well as looking to improve on them year on year to meet the growing need for better solutions in ways which are economically, environmentally and socially responsible.

The Board periodically reviews and approves clear frameworks, such as Ethics, Compliance, Governance and Modern Slavery Statements, to ensure that its high standards are maintained both within Axis and the relationships Axis has with various stakeholders.

S172(1) (F) “The need to act fairly as between members of the group”

The DNA of the company is values based (honesty, respect, diversity, co-operation, community, environment, safety, people).

It guides the way we work with our clients, business partners, local communities and with each other. Central to this is a belief that what is good for you is good for us, an ethos that creates a culture of working hard for one-another and working always to the values that have helped create a company culture where innovation can blossom, people can thrive and success is a shared experience. These values are Axis and vice versa.

There are employee surveys during the year to give feedback coupled with an open-door policy. The board reviews and takes the relevant actions.

The company recruits and trains personnel within the areas of its contracts with a Board target of 10% apprenticeship/ trainee ratio.

There are annual periodic reviews with all of the employees to ensure the correct training is in place, the individual improvement plan is actioned and the objects for the next year are set.

The Board concludes that a motivated, engaged and affiliated work force is crucial to the success of Axis. Using the tools Axis has in place including stakeholder participation the future strength of the company will continue to grow.

The Board recognises the important role Axis has to play in society and is deeply committed to public collaboration and stakeholder engagement. The Board strongly believes that Axis will only succeed by working with customers, councils, housing associations, business partners, investors and other stakeholders. Working together is critical, particularly at a time when

society, including businesses, governments and consumers, faces many complex and challenging issues.

Axis will continue to build on our long track record of working with stakeholders. We believe that working together and sharing knowledge and experience with others offers us greater insight into our business. Strong long-term relationships with our stakeholders with positive impacts of ongoing engagement and dialogue will continue.

The Board meetings will review the short medium- and long-term risk to the business and suitable strategies will be implemented to steer the company correctly and align Axis to its stakeholders.

The Board is aware of its obligation to the environment and sustainability which it employs a team to review, oversee and implement measures for the betterment of the members