

Section 172 statement

The Companies (Miscellaneous Reporting) Regulations 2018 require Directors to explain how they have considered the interests of all stakeholders of the business and the broader matters set out in Section 172 (1) (A) to (F) of the Companies Act 2006 ('S172'). This includes considering the interests of other stakeholders which will have an impact on the long-term success of the business.

This Statement explains how the Directors of Churchill Living (Developments) Plc ('the Company') and its subsidiary companies (together 'the Group') have fulfilled their duties under the S172 requirements for the year ended 30th June 2024 through:

- Engagement with Colleagues, suppliers, Customers, and other stakeholders of the business; and
- Maintaining regard for Colleagues' interests, the need to foster the Group's business relationships with its suppliers, sub-contractors, Customers and other stakeholders and the part they all play in the success of the Group. All principal decisions taken by the Directors on behalf of the Company have had regard to these interests and have sought to balance them accordingly.

Decision making of the Board

When making decisions, each Director, and the Board collectively, ensures that they act in a way they consider to be in good faith, to promote the long-term success of the Company, in accordance with its' strategy, for the benefit of its Colleagues, Customers, suppliers, and other stakeholders of the business. This is reflected in the Board minutes.

Colleagues

Engagement with Colleagues is of primary importance and the Directors ensure that they include them in key business updates, provide a forum for and listen to their

feedback and concerns (including the annual 'Ask the Chairman' session), and provide them with regular updates on the progress of the business. We are aware that there is a strong correlation between happy Colleagues and satisfied Customers, and this is shown in the feedback received and the HBF 5 Star rating which has been retained for the ninth consecutive year.

Providing support to Colleagues is also an utmost priority of the Group which is evidenced by the Group's Mental Health First Aider scheme and access to other health and wellbeing resources.

Meeting our Customers' needs

As part of the Sales & Marketing function and in conjunction with the Design team, regular Customer feedback and research is conducted to ensure that every detail of our developments is specifically designed to meet the needs of our Customers. As a result, the Group's developments are built to a high standard with specifications designed around this insightful feedback and research. A review committee is in place to continually assess our offering, ensuring our Customers' changing needs remain pivotal in everything we do. The Company's subsidiary, Careline Support Limited, continues to offer invaluable assistance to our Customers post sale, with a dedicated helpline team available to assist them, 24 hours a day.

Suppliers and subcontractors

The Group has built and maintained strong relationships with a network of trusted suppliers and subcontractors across all its regions who can produce high quality outputs in line with the Group's requirements and specifications. This ensures high standards and efficiencies are consistently met and ensures value for money is being obtained, particularly in a period of high build cost inflation.

Financial stakeholders

The Directors are completely transparent with the Group's financial stakeholders and provide timely information to ensure investors and secured creditors alike are aware of the Group's performance and funding requirements to enable the business to operate at its full potential.

Environmental, Social and Governance

The Group continues to incorporate social responsibility and promote sustainability throughout its processes, and as compatible with its strategy. This is governed by the Environmental, Social & Governance Committee (the 'ESG Committee') headed by Board Director, Gary Day. The ESG Committee has continued to progress in identifying and measuring key ESG factors which are a priority to the Group's business operations. The Group's 'Lean and Green Efficiency Bonus' was implemented successfully with invaluable input from Colleagues.

Business conduct

The Group has built an industry-leading reputation as a high-quality, multi- award-winning business. Protecting and enhancing this reputation is extremely important. To maintain this, the Directors are continually focused on ensuring that the business delivers upon the Group's brand and values and requires every Colleague to represent those values in a positive way, delivering a consistent high-quality product and service while meeting the needs of the Group's stakeholders.

Acting fairly between business owners

The Company has just one class of voting share in issue and so all voting shareholders benefit from the same rights, as set out in the Company's articles of association.