

S172 Statement

This section of the Strategic Report describes how the Directors have performed their duty under Section 172 (s.172) of the Companies Act 2006 and continue to have regard for:

<p>(a) The likely consequences of any decision in the long term;</p>	<p>The Company operates within the wider Belron Group of Companies and accordingly the Board is guided by not only its immediate shareholder, Belron International Limited, but also the strategy of the Belron Group as a whole. The Directors recognise that Group initiatives have a direct impact on the Company and believe they have sufficient information to enable them to ensure initiatives which may have an impact on the Company are carefully considered at Board Meetings. In addition to this, through communication with its Executive Management Team, the Board works to identify new opportunities which not only fit with the wider strategy of the Group but also help to sustain the long-term success of the Company. The Board aims to achieve this through monitoring the performance of the Company against budgets and forecasts, including capital expenditure, alongside a review of risk management and internal controls.</p>
<p>(b) The interests of the Company's employees;</p>	<p>The Board believes supporting and retaining a skilled workforce is a key element in the long-term success of the Company.</p> <p>The Company employs over 2,000 people and the global COVID-19 pandemic had a significant impact on our staff. The health and safety of our people was a prime consideration of the Board during 2020 and was considered regularly by the Directors at meetings of the taskforce formed to help the Company meet the challenges of the COVID-19 pandemic. Following the UK Governments' guidance, in March 2020 all staff who were able to do so were requested to work from home. The Company's IT systems were adapted such that everyone was able to work from home with minimal disruption to the Company's operations.</p> <p>After receiving clarification from the UK Government that the Company's operations had been identified as critical the business re-opened but only for those individuals who needed support for essential travel for permitted reasons. This included key workers, the emergency services, vulnerable customers and carers of vulnerable people. This closure of the operations, combined with a general drop in demand, resulted in some of the Company's staff being furloughed. The Company was aware the impact on both furloughed staff and those who continued to work through the period. The Company provided support to employees for</p>

	<p>both their mental well-being and physical environment and this support is on-going.</p> <p>When lockdown restrictions were eased the Company's premises were made accessible on a limited basis where necessary with significant health and safety measures based on the UK Governments' implemented including one-way systems, hand sanitiser stations, restricted numbers in premises, signage and, in the case of our main offices, a requirement to book attendance in advance in order to minimise the number of people in the Company's premises.</p> <p>The Belron Group launched a new Employee Engagement Survey with 80% of the Company's employees taking part and the results pertaining specifically to the Company were reviewed by the Directors and the Executive Management Team. The overall engagement score for the Company was 75%, so areas of improvement were identified, and these will be discussed at future Board Meetings.</p> <p>The health, safety and well-being of the Company's employees is a key consideration for the long-term success of the Company. Workplace health and mental wellbeing support was critical during the COVID-19 pandemic and employees were encouraged to take advantage of the support available through the Employee Assistance Programme.</p>
<p>(c) The need to foster the Company's business relationships with suppliers, customers and others;</p>	<p>The Board recognises that maintaining good relationships with our suppliers, customers and other stakeholders is important and the Company strives to adopt a partnership approach with them. This allows us to share our values and work together towards supporting our people, stakeholders, customers and the communities within which we operate.</p> <p>Engagement with customers was a key focus for the Board throughout the year. Net Promoter Score (NPS) is measured and reported to the Board frequently so that at Board meetings the Board can consider the impact of their strategy on customers. Despite the impact of the pandemic the NPS remained high, with a mean average of 79.9% for 2020.</p> <p>We have a strong supplier approval process and code of conduct which enables us to carefully select which suppliers we partner with, working on a variety of important matters with a particular focus on sustainability within our supply chain.</p> <p>The Company published its a payment practices report and, in June 2020, XXX% of suppliers were paid within 30 days.</p>

	<p>This is slightly longer than usual and is as a result of the pandemic where we asked our suppliers, who were willing to assist us, to grant longer payment terms. All supplier payments reverted to their original terms before the end of 2020.</p> <p>The Board, individual Directors and the Executive Team ensure there is regular interaction with the Company's stakeholders: this can be via the sales team's interaction with insurance partners, the procurement team's interaction with suppliers or employees' involvement in local charities. This interaction was vital for engagement during the pandemic when supply chains and working patterns were disrupted; our sales team and our procurement team worked tirelessly to ensure that despite all the difficulties of the pandemic, our relationships with insurance partners and suppliers did not suffer.</p>
<p>(d) The impact of the Company's operations on the community and the environment;</p>	<p><u>Environment</u></p> <p>In order to understand the environmental impact of the Company's operations the Directors in conjunction with the Executive Team directed that a cross function team be set up to lead and report on CSR and the environmental impact. The environmental review meeting considers the data produced by the Company in relation to the Company's environmental impact and considers how to reduce our impact.</p> <p>In 2020 a service design project was undertaken in relation to the Company's delivery locations and to improve route optimisation to ensure minimum impact from CO2, this resulted in the Company's fleet driving 20% fewer miles.</p> <p>We constantly strive to minimise our waste and maximise waste diversion from landfill; the various initiatives throughout the year have meant that we have increased our percentage recycled of all waste from our main distribution centre in Bardon to greater than 95%</p> <p><u>Community</u></p> <p>The Group's annual Spirit of Belron Challenge, in which the Company's employees have always played a significant role, had to take a different format in 2020 due to the ban on international travel and social mixing and the "Spirit of Belron Race Around the World Challenge" took place instead. The event was held over a five-day period with the aim being for everyone in the Group to work together and run, walk, cycle and swim around the world as many times as possible. The event raised a total of EUR 1.7M of which just over EUR 65,00092,000 was raised by the Company's employees <u>and</u></p>

	<p><u>the Company</u> and collectively the Group's employees 'travelled' over 4 times around the world.</p>
<p>(e) The desirability of the Company maintaining a reputation for high standards of business conduct; and</p>	<p>The Company operates under a published Code of Ethics "Our Way of Working" which outlines the behaviours we expect within the business and those with whom we work. Our Way of Working is supported by other internal policies and processes.</p> <p>The Board has approved and the Company has published a Modern Slavery Act Statement.</p> <p>During 2020 the Board via the Executive Team commissioned external consultants to carry out a full-scale review of the Company's GDPR policies and practices, the consultants will complete their work in 2021. The Board will consider what, if any, changes need to be made so that the Company is operating at the highest standard.</p>
<p>(f) The need to act fairly as between members of the company."</p>	<p>The Company is part of the wider Belron Group and the Board take account of the need to act in way that not only takes account of its immediate shareholder but also the ultimate shareholders.</p>