

Section 172 (1) Statement

As directors of the Group and the Company we have acted, and continue to act, in a way that we consider to be most likely to promote the continuing success of the Group and the Company for the benefit of its members. In doing so we have had regard, amongst other matters, to:

- The likely consequences of any decision in the long term;
- The interests of the Group's and the Company's employees;
- The need to foster the Group and the Company's business relationships with suppliers, customers, and others;
- The impact of the Group's and the Company's operations on the community and environment;
- The desirability of the Group and the Company maintaining a reputation for high standards of business conduct; and
- The need to act fairly as between members of the Company.

The following are some examples as to how the directors have had regard to the matters set out above when discharging our section 172 duties:

The key strategic objective is to build a sustainable business for the benefit of current and future stakeholders. This involves us taking decisions both for the present and future benefit of the business. The executive directors work within the business on a daily basis, ensuring that key internal and external relationships are maintained directly and employees, suppliers and customers have appropriate access to us. Our management structure and reporting and communication lines are also organised in such a way that the impact and implications of key decisions are well understood throughout the organisation, with the appropriate level of input at all levels throughout the structure.

The Group's employees are critical to the continued success of the business and it is key we effectively engage with them. Examples of how this is achieved include:

- Concerted focus on appraisal and personal development process;
- Regular business updates through various channels;
- Offering the opportunity for professional and career development through relevant training;
- Linking an element of employee reward to the financial success of the Group and the Company; and
- Having appropriate whistleblowing procedures.

We also ensure there is a wider understanding of, and alignment on, the Group's key strategic objectives through regular formal and informal communication forums.

We maintain strong relationships with our suppliers and customers through the following practices:

- Regular contact and meetings with our key suppliers;
- Encouraging our customers and suppliers to raise any issues or concerns they have regarding their relationship with the Group;
- Continuing to focus on the qualities that appeal to our customer base and differentiate us from our competitors; and
- Offering dedicated points of contact within our team to promote the building of long-term relationships with our customers and suppliers.

We are committed to supporting the communities that we work in and being environmentally responsible. Corporate Social Responsibility is a key area of management focus and is reported on at a Board level. We undertake various initiatives to improve the Group's contributions to these communities and promote the effective use of resources to avoid the unnecessary generation of waste and pollution, with a focus on sustainability and compliance with environmental standards and targets.

We are also committed to conducting our business in an ethical manner. Our core values are engrained in the Group's culture and encompass our commitment to ensure the highest standard of ethical conduct in the way we conduct our business.

The Group's and the Company's ultimate controlling party is J C A Burnett of Leys and his family and as such no conflicts exist between shareholders in relation to the Company.