

Section 172 Statement

Section 172 of the Companies Act 2006 requires a Director of a company to act in the way he or she considers, in good faith, would be the most likely to promote the success of the company for the benefit of its members as a whole. In performing this Section 172 requires a Director to have regards among other matters to:

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

The Directors give careful consideration to the factors set out above in discharging their duties under section 172. The Board's obligations under Section 172 are considered at Board meetings within each relevant section of the Board pack. The stakeholders we consider in this regard are our employees, our customers, our shareholders, our suppliers, and the environment. The Board recognises that building strong relationships with our stakeholders will help us to deliver our strategy in line with our long-term values and operate the business in a sustainable way.

The Board regularly receives reports from management on issues concerning customers, the environment, suppliers, employees, and investors, which it takes into account in its discussions and in its decision-making process under Section 172.

Stakeholder engagement

The Board is committed to effective engagement with all of our key stakeholders. The importance of each matter may differ to each stakeholder group, and hence the Group seeks to understand the relevant interests and priorities of each stakeholder Group, and to have regard to these in its decision making. The Board does acknowledge that not every decision that it makes will necessarily result in a positive outcome for all stakeholders.

Information on interaction with our key stakeholders is included in the Corporate Governance Report on pages 79 to 84.

Further information

You can read further information on stakeholder engagement and our approach to S172 in the following places:

Employees

- CEO introduction (pages 18 to 19)
- Operational and Marketing Review (pages 25 to 29)
- Risk Management (page 44)
- CSR Report (page 57)
- Governance (pages 82 and 84)

Customers

- Operational and Marketing Review (pages 25 to 29)
- CSR Report (page 60)
- Governance (page 83)

Suppliers

- CSR Report (page 61)
- Governance (page 83)

Investors

- Chairman's Statement (pages 14 to 17)
- Operational and Financial Review (pages 22 to 41)
- Governance (page 83)

Environment

- CEO introduction (page 19)
- Operational and Marketing Review (page 27)
- CSR Report (pages 52 to 71)

Long-term

- Chairman's Statement (pages 14 to 17)
- Our Investment Case (page 48)
- Risk Management (pages 42 to 45)
- Viability Statement (page 46)