

Grupo Antolin UK LTD

Financial Year 2020

Section 172 statement

Section 172 requires that “a director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

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

The Directors consider the factors set out above in discharging their duties under section 172. The stakeholders we consider in this regard are our clients reflecting the sectors and industries we serve, our regulators and our employees. 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.

Details of the Group which is also the company’s stakeholder and how we engage with them are set out below with reference to the matters set out in section 172 (a)-(f) of the Companies Act 2006 when performing their duty under the section. Strategic decisions are made at Group level rather than at entity level. Further illustrations of how section 172 factors have been applied by the Board can be found throughout the Strategic report.

(a) The likely consequences of any decision in the long term

Reports are regularly made to the Group Board by the Executive Committee about the strategy, performance and key decisions taken which provides the Board with assurance that proper consideration is given to stakeholder interest in decision-making. At Group level, the Board is well informed about the views of stakeholders through the regular reporting on stakeholder views and it uses this information to assess the impact of decisions on each stakeholder group as part of its own decision-making process.

The Board takes a long-term approach to developing its strategy, which is to grow and build our product capability and presence in major markets to help clients address their challenges. We aim to achieve this through organic growth and targeting specific technology advancement to broaden our product offerings. Our expansion within the United Kingdom focuses on building deep and lasting relationships with our clients and servicing all their sustainability needs.

The Group has established a successful track record of integrating its product technology into its client manufacturing process over recent years.

(b) The interests of the company's employees

Our people are the absolute key to our success and never has this been truer than during the incredible challenges presented by a global pandemic.

The traditional methods of communication were rapidly replaced with digital means, providing a gateway to further improvements and allowing us to remain engaged with a furloughed workforce, successfully navigating the transition to furlough and back with minimal disruption.

Excellent proactive safety measures were quickly installed resulting in zero COVID infections within the offices and factories during 2020 enabling employees returning from lockdown to remain confident in that the business had taken the necessary steps to protect their health, creating the security for them to maintain focus on the task at hand in creating security for the business’s future by delivering stakeholder results.

The commitment of our workforce and the government furlough scheme allowed the business’s financial performance to remain strong despite the inevitable pressures of a significant reduction in sales.

In parallel with the strength gained from our committed, skilled and flexible workforce, the business took tough decisions to ensure the long term viability of the UK business, implementing a pay freeze, reducing variable costs, closing three sites and successfully consolidating operations into the new leaner manufacturing footprint, at the same time retaining critical talent to re-distribute within the remaining sites.

The talent mapping and succession planning programme launched in 2019 strengthened our ability to flex our talent across the UK during 2020, vital in times of reducing labour to mirror as far as possible, sales reductions, creating a strong and sustainable workforce for the future.

2020 has highlighted and increased the agility of the UK workforce. Bonds have been tested and strengthened with a leaner, intelligent and integrated team emerging to create a strong and stable platform from which to build into the future challenges of 2021 and beyond.

(c) The need to foster the company's business relationships with suppliers, customers and others

Our global expansion focuses on building deep and lasting relationships with our clients and servicing their needs in more regions and across more service areas. We recognize the trust that our clients place in us by allowing us to work on many of their most challenging projects daily all around the world and are committed to the highest ethical behaviour and personal integrity in all our transactions and interactions.

We exercise judgment with respect to the clients and third parties with which we engage and the types of work we undertake. We will not work with clients or subcontractors who do not share our commitment to high ethical and sustainability standards and to safe operations.

(d) The impact of the company's operations on the community and the environment

A key element of all aspects of our strategy is Sustainability. Sustainability at Grupo Antolin UK Limited is a commitment to support socio-economic development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

As a company, we are making a significant commitment and investment in this area, and we are developing global and regional plans with our Regional Leadership Teams and Account Directors across the company to support and implement this strategic direction. Our offices were closed since the lockdown in March 2020 with employees working from home reducing our carbon emissions and associated greenhouse gas emissions relating to gas, electricity and transport.

(e) The desirability of the company maintaining a reputation of high standards of business conduct

Our written Global Code of Business Conduct and Ethics sets clear requirements to ensure we conduct business with uncompromising honesty, integrity and compliance with laws and regulations. Our commitment to combat bribery and corruption is fundamental to how we operate and is embedded into our key systems and programs. We apply our business conduct and ethics commitments across every office and activity, every day, with the involvement and awareness of all our employees. All employees and Partners are held responsible for compliance with our Code and policies.

We conduct business with uncompromising honesty and integrity, adhering to laws, regulations and our written Code of Conduct, and expect everyone at Grupo Antolin UK Limited to act accordingly. We express this commitment through our business values, our professional standards, staff training and our internal systems and practices. It is key to earning and maintaining the trust of our company's stakeholders: shareholders and investors, management and employees, clients, suppliers and contractors, governments, non-governmental organizations and the communities in which we operate.

The Board of Directors and Executive Committee of Grupo Antolin UK Limited are most significant governing bodies. They are responsible for the strategic direction of the organization and the effective monitoring of operations and performance. The Board sets a high standard for ethical behaviour and ensures the Group complies with applicable laws and regulation.

All supervisors and individuals in key delivery roles are required to complete an annual self-certification to assess and confirm compliance with the requirements of our Code of Conduct and associated global policies, as part of our year-end audit of our corporate governance and assurance process

Grupo Antolin UK Limited maintains a global anonymous "whistleblowing" reporting system (online) so that concerns about our business operations, including unethical business conduct, can be reported without fear of retaliation. The system is available 24 hours a day, 7 days a week, by a web portal, and is managed by a third party to protect confidentiality. Reported concerns are investigated and addressed under the supervision of Chief Compliance Officer.

(f) The need to act fairly as between members of the company

The Board recognises the critical importance of open dialogue and fair consideration of the Company's members. We communicate regularly with our institutional shareholders as well as with employee shareholders, some 250+ individuals.