

## **Toolstation Limited**

### **Strategic report for the year ended 31 December 2020 (continued)**

#### **S172 statement**

##### **Engaging with stakeholders**

Toolstation Limited (“Toolstation”) is a wholly owned subsidiary of Travis Perkins plc (the “Group”) and therefore is subject to and abides by all Group policies and procedures. The governance framework of the Group delegates authority for local decision making to Toolstation up to defined levels of cost and impact. Reports are regularly made to the Group Board by the business units about the strategy, performance and key decisions taken which provides the Group Board with assurance that proper consideration is given to stakeholder interests in decision making.

The Board of Toolstation places significant importance on the strength of its relationships with all its stakeholders to promote the sustainable success of the Company. In order to fulfil their duties, the Directors of Toolstation, and the Group itself take care to have regard to the likely consequences on all stakeholders of the decisions and actions which they take. Such considerations ensure the business is making decisions with a longer term view in mind and with the sustainable success of the business is at its core.

Where possible, decisions are carefully discussed with affected groups and are therefore fully understood and supported when taken. Details of the Company’s key stakeholders and how we engage with them are set out below.

##### **Shareholders**

We rely on the support of our shareholder, Travis Perkins plc, and its opinions are important to us. We have an open dialogue with our shareholders through regular one-to-one meetings and reporting to the Group Board. Discussions cover a wide range of topics including financial performance, strategy, outlook, governance and ethical practices.

##### **Colleagues**

Our people are key to the Company’s success and we want them to be successful individually and as a team. We work hard to engage with and listen to our people in a number of different ways.

In addition to our annual all colleague engagement survey and resultant functional level action plans, we conduct face to face colleague listening groups at each of our Distribution sites and both regionally and nationally for our retail colleagues. To support this we have also developed a business wide Information site ‘Toolstation Together’ which provides all colleagues access to all relevant business information, latest functional and business news, HR policies and people toolkits and a central place for all colleagues to share ideas and feedback to help us to continue to develop the right support strategies, building a strong culture for all of our colleagues to be at their best.

Weekly ‘What’s up Wednesday’ video conference forums in Retail enable colleagues to ask questions and enter into discussions with both the Retail Leadership and their peers. In Head office, Colleague and leadership online forums have been introduced to explore new ways of working and establish remote communities whilst our colleagues are working from home.

Regular weekly newsletters in Retail, Contact Centre and Distribution centres are in place as well as weekly updates from the MD, HR Director and Functional Directors on business priorities, new products and services, health and wellbeing, development opportunities and pay and benefits.

## **Toolstation Limited**

### **Strategic report for the year ended 31 December 2020 (continued)**

#### **Customers**

Our Customers fall into two key categories - 'DIY' and 'Trade'. Our simplicity of business model does not differentiate these customers apart from product choice. We pride ourselves on making customers' work easier by ensuring they can get the right product for the job just when they need it. Low prices, stock availability and convenience are key to the brand. More than 20,000 selected products are available from 460 branches, open 7 days a week and offering a speedy click and collect or next day delivery service, via the Toolstation website or dedicated UK call centre.

#### **Suppliers**

We work with a large number of suppliers based around the world. We undertake risk assessments on all our suppliers as we recognise the importance of their role in our continued success. If an assessment deems a supplier high risk, this brings a higher level of monitoring and scrutiny to manage the relationship and the supply. Other suppliers are required to sign up to a statement of expectations. We work closely with our suppliers using innovation days to feedback market intelligence and to help inform the range for the following year. We have a number of own brand products and we pride ourselves on working closely with the manufacturers to ensure the integrity of the products we supply.

#### **Communities and the environment**

We engage with the communities in which we operate to build trust and understand the local issues that are important to them. Key areas of focus include how we can support local causes and issues, create opportunities to recruit and develop local people and help to look after the environment. In consultation with our colleagues we select one main charity partner to work with across the business but also work with local charities and organisations at a site level to raise awareness and funds. The impact of decisions on the environment both locally and nationally is taken into account with plans to reduce plastic packaging and usage where possible and research the potential use of electric vehicles to reduce the impact on the carbon emissions.

#### **Government and regulators**

We engage with the government and regulators through a range of industry consultations, forums, meetings and conferences to communicate our views to policy makers relevant to our business. Key areas of focus are compliance with laws and regulations, health and safety and product safety. The business works closely with HMRC in relation to importing products and continues to build that relationship to ensure the ongoing operations. The Board is updated on legal and regulatory developments and takes these into account when considering future actions.

## Toolstation Limited

### Strategic report for the year ended 31 December 2020 (continued)

#### Decision making in practice

One of the key decisions made by the Board during the year was to launch trade credit.

Stakeholder	Stakeholder views	Conclusions
Shareholders	The Company's shareholder wants to operate in the most cost effective way, thereby creating value for shareholders and ensuring the long term sustainable success of the company.	To ensure the long term sustainable success of the business it must operate in the most effective and efficient way. A review found that sales per branch could be increased by the offering of trade credit.
Colleagues	The Company's colleagues want to be kept informed of changes to the business and to be listened to in relation to changes which will affect them and their teams. They also want the business to provide security and opportunities to develop.	Colleagues were engaged early in the process and a trade credit project team was established to enable them to meet expectations.
Customers	The Company's customers want propositions that work for them and for the business to operate in an ethical way.	Customers would benefit from increased convenience of having an account with us. It supports their cashflow and also the speed of their transaction.
Suppliers	The Company's suppliers want to have confidence that the business will continue to trade with them in the long term.	The decision would not have a material impact on suppliers. Suppliers could take confidence that the business is investing and expanding which provides security to the supplier base and allows them to invest for the future to support our growth.
Communities	The Company's communities want continued support with local causes and issues. They want the Company to be considerate of their local communities.	The work done by Toolstation in the community and with charity partners was not affected by the decision. Managing customers and suppliers effectively enables the Company to continue to support local and national causes.
Government and regulators	The government and regulators want the Company to operate in an ethical way and comply with laws and regulations	The business must be compliant and cognisant of many regulations and legislation that apply to the business and be able to implement changes in a timely manner.