

## **CCF Limited**

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

#### **S172 statement**

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

CCF Limited (“CCF”) 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 CCF 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 CCF 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 CCF, 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 they are engaged with is set out below.

##### **Shareholders**

We rely on the support of our shareholder, Travis Perkins Merchant Holdings Limited which is 100% owned by Travis Perkins plc, and its opinions are important to us. We have an open dialogue with our shareholder 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, including through a colleague board, fortnightly commercial updates, ‘Ways of Working’ sessions, colleague surveys, forums, annual conferences, induction days and training programmes, newsletters and through our anonymous colleague concern line. Key areas of focus include business updates, new products and services, health and wellbeing, development opportunities, pay and benefits. Regular reports about what is important to our colleagues are made to the Board ensuring consideration is given to colleague needs.

##### **Customers**

The level of engagement with customers is key to the long term success of the business. Significant time and effort is put into building relationships with our customers through key account managers and directors, external sales teams and at local level by branch managers. Our most significant customers often generate large deals which operate over a long timeframe and these relationships are monitored carefully. Customer insights are key to the understanding and management of our business and ensuring a two way dialogue with our customers assists this, particularly in relation to credit management. In the relatively small market in which we operate, with the additional complexity of often serving more than one customer in a transaction (such as third parties working for contractors), maintaining good relationships with customers is critical. We also operate in an environment where product supply can be limited and we therefore work hard to ensure we can obtain the best price for our customers.

##### **Suppliers**

The relatively small market in which we operate has a limited number of suppliers and with Framework agreements specifying certain products and suppliers there is an inextricable link between our customers and our suppliers. We engage with manufacturers and suppliers regularly to assist in sourcing the right products for our customers at a competitive price, especially when products on allocation mean supply is limited.

## CCF Limited

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

#### 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 such issues as waste management being addressed wherever possible.

#### 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 Board is updated on legal and regulatory developments and takes these into account when considering future actions.

#### Decision making in practice

One of the main decisions taken by the Board during the year was to pass on an increase in prices which was necessitated by an increase in a key supplier's prices. The Company did not immediately increase prices, mindful as it was of the impact on customers, the need to maintain positive relationships with its customers, its place in the market and its interaction with competitors. Instead it embarked on a programme of engagement with customers to explain the increase and give them four month's notice of the increase which ultimately it had no choice but to implement. Training was provided to branch managers in order to equip them with communicating the increase in the branches; and in some cases, financial support was provided to customers.

Stakeholder	Stakeholder views	Conclusions
Shareholders	Our shareholder wants us to operate in the most cost effective way, thereby creating value for shareholders and ensuring the long term sustainable success of the company.	The business could not absorb the increase in product cost prices without impacting the profitability of the Company. The increase was in line with the market price and the delay in passing on the increase along with the engagement with customers prior to eventual increase, succeeded in retaining customers which supports the longer term success of the Company.
Colleagues	Our 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 not materially impacted by the decision. The long term sustainable success of the business is important to colleagues and their continued employment. The engagement and training provided to colleagues in order to fully understand the reasons behind the decision and the way in which it was carried out, was key to colleagues feeling empowered to engage with customers confidently and to provide reassurance.
Customers	Our customers want propositions that work for them and for the business to operate in an ethical way.	The decision to increase prices was necessary, but the implementation was carefully considered to provide customers with time to adjust their own business affairs accordingly.
Suppliers	Our suppliers want to have confidence that the business will continue to trade with them in the long term.	With limited suppliers in the market, the Board was mindful of the importance of continuing to trade and maintain a good relationship with the supplier who had increased its prices. The engagement with the supplier facilitated the Company's ability to manage the change through to its customers in an orderly and fair way.

## CCF Limited

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

<b>Stakeholder</b>	<b>Stakeholder views</b>	<b>Conclusions</b>
Communities	Our communities want our continued support with local causes and issues.	The work done by CCF 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 us 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. The use of reputable suppliers who comply with the applicable regulations is key to CCF's continued success.