

## **The BSS Group Limited**

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

#### **S172 statement**

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

The BSS Group Limited (“BSS”) 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 BSS 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 BSS 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 BSS, 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 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 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. During 2020 the health and wellbeing of our colleagues has been paramount as we navigated Covid 19 and we have supported them through full pay for shielding colleagues and enhanced furlough payments. We undertook weekly check-in surveys during the lockdown periods to garner feedback and to measure colleagues perception of safety and communications etc.

For those colleagues in our support centres who found themselves working from home for the first time, we provided tools to determine the need for additional equipment to support ergonomic working and have created a Covid safe area within our head office for hot desk working available to those with specific needs.

We work hard to engage with and listen to our people in a number of different ways, including through a colleague board, monthly briefings, colleague surveys, forums, listening groups, internal communities, newsletters and through our anonymous colleague concern line. The cadence of colleague communication was accelerated during lockdown, with all colleagues receiving a daily update. In September a Leadership briefing was held live for Branch managers with video content relating to BSS strategic initiatives rolled out to all colleagues via team briefings. We undertook a survey ‘Who we are and How we feel’ to capture colleague views regarding Diversity and Inclusion and Wellbeing and have subsequently established a Diversity & Inclusion forum.

Throughout the year we have held a number of business ‘stand downs’ aiming to brief all colleagues at the same time on critical issues, some following serious incidents within the Group or business, or on important topics such as mental health.

We have an ‘Evolve Programme’ which engages with colleagues about change in the business and all major change projects are governed by steering groups which include colleague representation.

## **The BSS Group Limited**

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

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 our account management teams. We have maintained contact with our customers throughout the Covid pandemic utilising virtual tools and have revised our account management roles to be branch based. We have introduced a customer magazine focussing upon innovation and thought leadership in industry specific topics

We continue to review how to make BSS easy to do business with and have developed a customer portal, allowing customers to access account management functionality.

Our most significant customers are monitored closely as they are imperative to our continued success. Credit management is a particular focus to ensure our customers are supported and enabled.

The customer makeup can be complex, with contractors, subcontractors and sub-subcontractors being supplied with product as part of the same project. This can result in the customer's client also being our stakeholder and we take great care to ensure transparency and two way dialogue. We have a matrix approach to customer engagement with branches regularly meeting with customers at a local level.

#### **Suppliers**

We build strong relationships with our suppliers as in our market they are particularly influential. In some cases we are the biggest customer of that supplier which gives us great responsibility and we are mindful of competition law. We work with our suppliers on product design and development and on specifications to ensure the products we supply meet with safety regulations and requirements. We provide contract support to our suppliers and engage with them through annual supplier awards and 'Thank You' days outside of the business as usual meetings.

#### **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 (MIND) across the business but also work with local charities and organisations at a site level to raise awareness and funds. Covid 19 has had a significant impact on our fundraising with much of the previous years fundraising collected via events, however across the business we have continued to hold activities and events online.

The impact of decisions on the environment both locally and nationally is considered and we have undertaken an LED lighting project within our Crosspoint warehouse. We have a nominated business sponsor and lead aligned to each of the ESG focus areas.

#### **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. This has been particularly key in 2020 as the industry navigated the Covid pandemic. BSS engaged with BSRIA on daily calls during the initial lockdown period and worked with GLT members to communicate with and to influence government.

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.

## The BSS Group Limited

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

#### Decision making in practice

One of the main decisions taken by the Board during the year was determining how to operate during the initial lockdown from March 2020 and the impact of the restructuring.

One of the key decisions made by the Board during the year was to review our network plans in the light of the ongoing COVID-19 pandemic. This review looked at the plans we have for investing in bigger, better, safer branches that are in the right part of town combined with the significant market impact of the pandemic. This led us accelerating our plans and to the closure of 5, mostly smaller & less profitable, BSS branches across the country.

Stakeholder	Stakeholder views	Conclusions
Shareholders	Our shareholder wants us to continue to operate where we have legitimacy to do so (essential services), to support the health & wellbeing of all colleagues and preserve cash.	Operating out of half of our branch network enabled nationwide coverage for essential services, supported by a contact free call and collect model. Vulnerable colleagues were furloughed and minimum staffing levels in branch allowed other colleagues to be furloughed based upon the volume of work available. Cash was preserved through the reduction in stock ordering.
Colleagues	Our colleagues want to be kept safe and well. They want to understand and be kept informed of changes to the business. They want to feel valued and to be listened to in relation to changes which will affect them and their teams.	Covid-safe protocols were defined for the branch network and shared with colleagues including videos to demonstrate the safe environment for furlough returners. All support teams moved to work from home with the ability to order/access the equipment required. All furloughed colleagues received regular contact and also weekly check-in Tuesday questionnaires. A daily update was sent to all colleagues to recognise exceptional work and to maintain contact.
Customers	Our customers wanted continued service to support their business.	The website was kept up to date with hours and methods of trading for each branch and customers were contacted directly. Customers were serviced for their Essential Services projects e.g. Nightingale hospitals.
Suppliers	Our suppliers want to have confidence that the business will continue to trade with them in the long term.	We retained regular contact with suppliers explaining our supply of essential services only and managing deliveries safely into branch and DC. We worked with suppliers regarding ordering and maintained existing payment schedules.

## The BSS Group Limited

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

Communities	Our communities want our continued support with local causes and issues.	Communities were supported when in most need via our essential services supply.
Government and regulators	The government and regulators want us to operate in an ethical way and comply with laws and regulations.	All government Covid regulations were reviewed and applied as appropriate on a daily basis. We engaged with industry bodies such as BSRIA to work on industry wide compliance. There was Group level engagement with the government.