

Toolstation Limited

Strategic report for the year ended 31 December 2022 (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 at its core. Reports are regularly made to the Group Board by Travis Perkins about strategy, performance and key decisions taken, to provide the Group Board with assurance that proper consideration is given to stakeholder interests in decision making.

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, Toolstation 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 colleague listening groups, ‘You Talk We Listen’ surveys, regional groups and forums, sales boards, an ‘ask the MD’ email, commercial and supply colleague groups and head office huddles. 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.

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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 25,000 selected products are available from 530 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 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.

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Decision making in practice

One of the key decisions made by the Board during the year was to continue the roll out of new stores during the year resulting in 33 new stores being opened in 2022.

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.	To ensure the long term sustainable success of the business it must operate in the most cost effective and efficient way. New store openings have been identified as a key way for the business to create shareholder value through sales growth.
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.	In rolling out new stores colleagues are engaged early in the process and across all different departments of the business. New store openings provide colleagues with opportunities to develop through the creation of new roles as the business grows.
Customers	Our customers want propositions that work for them and for the business to operate in an ethical way.	New stores widen the geographical reach of the business and therefore the potential customer base. This improves convenience for existing customers as well as attracting new customers.
Suppliers	Our suppliers want to have confidence that the business will continue to trade with them in the long term.	New stores create further opportunities for suppliers to access local markets. 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	Our communities want our continued support with local causes and issues. They want us to be considerate of their local communities.	New store openings create further opportunities to support local communities and causes as well as raise money for charities. The stores are active in raising money for charities through fundraising events. In addition new stores create job opportunities in local communities.
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. Reducing excess cost enables the business to focus on doing business safely and compliantly.