

# **Wickes Building Supplies Limited**

Registration number: 01840419

## **Corporate Governance and S172 Statements**

for the period from 30 December 2018 to 28 December 2019

### **Corporate Governance**

Wickes Building Supplies Limited (“Wickes”) is a wholly owned subsidiary of Travis Perkins plc (the “Group”). Under the The Companies (Miscellaneous Reporting) Regulations 2018 regulation 14, Wickes is required to report on its governance arrangements. As a wholly owned subsidiary of a UK listed Group, Wickes does not consider it appropriate to report against the UK Corporate Governance Code or other governance codes. Wickes is subject to and abides by the Group policies and procedures of Travis Perkins plc which fully complies with the UK Corporate Governance Code. Details of the Group’s governance arrangements are set out in full in the Travis Perkins plc Annual Report and Accounts 2019.

Although Wickes is a wholly owned subsidiary, the Board of Wickes recognises the importance of good governance for the long-term sustainable success of the Company and ensures that Wickes complies with all Group policies. The governance framework of the Group delegates authority for local decision making to Wickes up to defined levels of cost and impact. The Company has set up its own governance framework within its delegated authority. The Wickes Board and senior management team meets on a monthly basis to oversee the development and implementation of strategy and to monitor the Company’s performance. The Board delegates the management of certain operational matters to management committees and groups comprised of operational leaders and subject matter experts to support it in discharging its obligations. Reports are regularly made to the Group Board by the business about the strategy, performance and key decisions taken by Wickes which provides the Group Board with assurance that the Company is being operated in accordance with the Group governance framework and Group policies.

### **S172 statement**

#### **Engaging with stakeholders**

Wickes Building Supplies Limited (“Wickes”) 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 Wickes 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 Wickes 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 Wickes, 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.

## **Wickes Building Supplies Limited**

### *Shareholder*

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 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*

We are enabled by our highly engaged colleagues and winning culture. Our people are key to the Company's success and we want them to be successful individually and as a team. There are many ways we engage with and listen to our people including colleague surveys, forums, support centre monthly briefing meetings, listening groups, face-to-face briefings, internal communities, newsletters and through our anonymous colleague concern line. Key areas of focus include business updates, new products and services, health and wellbeing, inclusivity programmes, 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.

### *Customer*

Our vision is a Wickes project in every home and our mission is to be the partner of choice for home improvers and local trade. We build relationships with our customers and spend considerable time analysing customer trends and reviewing customer feedback, including from customer listening groups, to understand their needs and views and listen to how we can improve our offer and service, however they decide to undertake their home improvement projects: local trade, do-it-for-me and DIY. The senior management team meets on a monthly basis to discuss the customer proposition.

### *Suppliers*

We build strong relationships with our suppliers to develop mutually beneficial and lasting partnerships. Engagement with suppliers is primarily through a series of interactions and formal reviews. Key areas of focus include innovation, product development, health and safety and sustainability.

### *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 considered with such considerations as the use of and disposal of packaging and how this might be minimised.

### *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.

## Wickes Building Supplies Limited

### Decision making in practice

One of the major decisions made by the Company's shareholder this year was to demerge the Wickes business. The Wickes Board supported this decision and as part of preparing to operate as a standalone listed entity it considered the interests of and the impact on current and future stakeholders in its decision making in relation to the demerger. To provide insight into the approach taken by the Board, a summary of stakeholder views and conclusions is set out below. As set out in the Future Developments section on page 8, the demerger process is currently paused, however, the directors still consider the processes followed during the year to be a good example of decision making in practice.

Stakeholder	Stakeholder views	Conclusions
Shareholders	Our shareholder wants us to support its strategic aims and to prepare the business to operate as a standalone business.	The demerger provides Wickes with the opportunity to operate autonomously to execute its own distinct strategy and allocate capital to its customer proposition and growth opportunities, with a clear focus on maximising the long-term success of the Company which will enable our shareholder to focus on its trade business.
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.	<p>The Wickes Business has historically operated relatively standalone with its own largely independent management team so the majority of colleagues will not be materially impacted by the demerger.</p> <p>Overall, the demerger will result in a small increase in roles. It has also created opportunities for colleagues to move between Wickes and the Group and both parties have fully supported colleague moves between them.</p> <p>For colleagues at Wickes affected by the demerger, colleague views have resulted in actions being taken to mitigate the impacts.</p>
Customers	Our customers want propositions that work for them and for the business to operate in an ethical way.	Wickes has experience and advantages in delivering on the consumer segments of Do-It-For-Me ("DIFM"), DIY and smaller local trade customers. The demerger provides Wickes with the opportunity to operate autonomously and develop its proposition tailored specifically for its customer base, and growth opportunities, with a clear focus on maximising the long-term success of the Company.
Suppliers	Our suppliers want to understand the impact of the demerger on their relationships and contractual arrangements. They are mindful of the potential impact on their revenues and margins but also see an opportunity for future growth.	<p>The Wickes Business has historically operated relatively standalone and has built its own strong relationships with suppliers. Suppliers unique to Wickes and the Group will not be impacted by the demerger.</p> <p>There are a number of shared suppliers with which the Group and Wickes will need separate contractual arrangements following the demerger. The Board has agreed a programme of engagement, working with shared suppliers to agree separate contracts in an open and constructive way.</p>

## Wickes Building Supplies Limited

<b>Stakeholder</b>	<b>Stakeholder views</b>	<b>Conclusions</b>
Communities	Our communities want our continued support with local causes and issues	The work that Wickes does in the community and with our charity partners will not be affected as a result of the demerger.
Government and regulators	The government and regulators want us to operate in an ethical way and comply with laws and regulations	The demerger will maximise the long-term success of both groups which is in the public interest. The Company has appointed relevant expert advisers to ensure that all obligations relevant to Wickes in relation to the demerger are fulfilled.