

### **British Engines Limited Section 172 Statement**

The directors consider that during the 18 months ended 31 October 2020, they have acted, both individually and collectively as a board, in a way that they consider, in good faith would be most likely to promote the success of the Company and its Group for the benefit of its members as a whole, in accordance with sections 172(1)(a) - (f) of the Companies Act 2006.

Material decisions taken during the year include a significant restructuring of the Group, including a major change in strategic direction and rationalisation of BEL Valves Limited.

#### *Employees*

We are committed to our workforce; they are at the core of each business. The successful performance of the Group is reliant on their knowledge and skills and we continually invest in training for our employees. We strive to be a responsible and fair employer in how we approach the pay and benefits our employees receive; the health, safety and well-being of our employees is of fundamental importance to us.

It is the policy of our Group to ensure that our recruitment and employee development decisions are impartial and objective, and to give full and fair consideration to all employment applications. Our goal is to create a diverse, inclusive and tolerant workforce.

We actively promote dialogue with employees through communication and consultation with the aim of enlisting the constructive participation of employees in promoting the productivity, competitiveness and prosperity of the Group.

#### *Business Relationships – customers and suppliers*

Our aim is to deliver the highest quality products and services to our customers so that we can build enduring relationships with them. We regularly look at the needs of our customers; our customers' requirements underpin the development of our product offering so that we can support them. Our vision is to add value through engineering excellence; we maintain regular and open communication with our customers, and continuously strive to exceed their expectations.

Our sector, like all sectors, relies heavily on its network of suppliers, and it is therefore important to engage the supply chain in our businesses, so that they develop with us. We implement processes and procedures to ensure that we are purchasing the right goods and services at a competitive cost at the same time as ensuring compliance with ethical and lawful working practices across our supply chain.

#### *Community and environment*

Across the Group, we use innovation to find a link between sustainability, quality products and lean manufacturing; we have a commitment to lessen the impact of our operations on both the immediate environment and wider society.

Our annual environmental objectives and targets are developed as part of our process of continual improvement and monitored on a monthly basis. This includes energy efficiency, waste minimisation, resource efficiency and recycling, as well as any environmental risks associated with our work. Every part of our operations is challenged to meet these targets.

In the community, the Group works closely with schools, colleges and universities throughout the North East to encourage young people to consider a career in engineering. We are committed to helping develop and nurture homegrown talent in the North East and our schemes for apprentices and graduates are testament to how much we have embraced this philosophy.

Employees and management teams across the Group have actively worked together for a number of years and provided support to groups and projects in the North East community through The British Engines Community Fund. We are also proud to support the Greggs Foundation Breakfast Club Programme, which aims to help primary school children to get a nutritious start to their school day.

*Standards of business conduct*

Our Group is built on strong moral and ethical values; we conduct business honestly and transparently and we want to work with customers and suppliers who have the same approach. Our Group Business and Ethics Policy is the primary behaviour guide for all employees and we ask all those associated with our operations to adhere to it. We are committed to maintaining an effective compliance programme with the aim of preventing, detecting and, if necessary, correcting any deviations from our policies and the law.

*The need to act fairly as between members of the Company*

The board of directors is accountable to the Company's shareholders; it takes their interests into account in its decision making and is accountable to them for the performance of the Group. Normally, an annual meeting is held with shareholders to update them on the Group's activities during the previous year, to present the results and to discuss any questions they may have. Due to the Covid-19 restrictions in place during 2020, it was not possible to hold a meeting that shareholders were able to attend but a written updated was sent to all shareholders.