

# **Wickes Building Supplies Limited**

**Registration number: 01840419**

## **Corporate Governance and S172 Statements**

**for the period from 29 December 2019 to 26 December 2020**

### **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 listed Group, 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 2020.

In recognition of the importance that the Wickes Executive Board (the “Board”) places on Corporate Governance in order to generate long term sustainability, Wickes has sought to comply with the Wates Corporate Governance Principles for Large Private Companies 2018 for the financial year 2020 in so far as these principles are relevant to Wickes.

### **Purpose & Leadership**

The governance framework of the Group delegates authority for local decision making to Wickes up to defined levels of cost and impact. Wickes has set up its own governance framework within its delegated authority. The Board and senior management team meet 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 comprising 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.

Wickes is a digitally-led, service-enabled home improvement retailer, delivering choice, convenience, value and best-in-class service to customers across the United Kingdom. Wickes aims to support its customers however they decide to undertake their home improvement projects through tailored customer propositions. Wickes mission is “to be the home improver’s and the local tradesperson’s partner of choice”, with a vision for “a Wickes project in every home” and its purpose is to “help the nation feel houseproud”. The purpose, vision and mission has been communicated and is used to guide decision making across the business.

The Wickes customer proposition is founded on its engaged colleagues and experienced management team, creating a winning culture to support high customer service levels. This culture promotes and rewards an inclusive colleague environment and engages colleagues to support customers. The Wickes culture reflects a modern approach to working, which promotes personal

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responsibility, flexible working arrangements and family leave, the use of effective performance management underpinned by regular feedback and a focus on health and wellbeing.

The Board believes in driving the culture of the business from the top and has implemented a common set of values (known as “Winning Behaviours”) and aims to ensure that all colleagues are recognised and rewarded for living these values. These Winning Behaviours have been in place for some time and are well known and integrated into company documentation and policies and celebrated at both departmental level and business level, with awards for colleagues demonstrating the behaviours on a day to day basis being given at the monthly support briefings and the annual “Year Beginning” meetings. Over the past year, which has proven more challenging due to the Covid 19 pandemic, it has been more important than ever to lead on these winning behaviours and to regularly test the mood of the business through regular ‘check in’ surveys and take appropriate action. In response to the findings the business undertook several wellbeing programmes including a ‘Let’s care for each other’ campaign and a ‘Music Diet’ to encourage colleagues to look after their mental and physical wellbeing.

### **Board Composition**

Details of the Group Board composition, balance of executive and non-executives, its policy on diversity and inclusion, Conflicts of Interest and actions taken as a result of board evaluations can be found in the Travis Perkins plc Annual Report and Accounts 2020.

The Wickes Board comprises executive management with a broad range of skills and experience relevant to the business. Being a wholly owned subsidiary, it is chaired by the CEO. 57% of the Board members are male and 43% are female. Wickes has a successful track record of promoting diversity through its partnerships with Stonewall, Working Mums and the Armed Forces, and through its “Evolving Women in Leadership” programme. In 2020, Wickes was named one of the top ten diverse retailers in the United Kingdom by the Financial Times, and commenced partnerships with Valuable 500 and Mind and joined the British Disability Forum.

The Board meets formally once per month and members meet in smaller groups a number of times per week for the purposes of the day to day management of the business. At its monthly meetings the Board considers the management accounts, capital expenditure, risk and audit reports and actions, safety and compliance reports, ESG and has a rolling agenda for the year of items pertinent to the running of the business such as security, insurance, legal and governance reporting and communications.

### **Accountability**

The Board operates within the authority delegated to it by the Group and has set clear lines of accountability and responsibility across the business. Cross-functional committees and groups have been created where appropriate to help with the effective management of the business, such as the Consumer Credit Committee which is responsible for monitoring compliance with consumer credit regulations.

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### **Opportunity and Risk**

The principal risks and uncertainties facing the Group as a whole can be found in the Travis Perkins plc Annual Report and Accounts 2020. Risks and mitigations specific to the Wickes business are discussed at the Board on a regular basis and reported to the Group.

The Board met three times during the year to discuss strategy specifically (twice as a Board and once with the Group CEO and CFO).

### **Remuneration**

As a wholly owned subsidiary, the pay structure for Wickes is controlled by the Group and further details on the Group's Remuneration Policy can be found in the Travis Perkins plc Annual Report and Accounts 2020.

### **Stakeholder Relationships and Engagement**

As set out in more detail in the S172 statement, the Board places significant importance on relationships with stakeholders and invests time in understanding and considering their views.

The importance of effective engagement with colleagues is paramount to the Wickes Board and a significant amount of time is spent in ensuring that colleagues are listened to and feel informed. There are a number of different routes of communication to reach all colleagues including:

- a live monthly briefing with all Support Centre colleagues which is led by the CEO and the Board and which highlights progress; strategic direction and particular projects being undertaken by different parts of the business;
- a colleague 'Ask the Board' Q&A session at the end of each briefing where questions can be asked in person or anonymously if so wished;
- a video or an email message sent by the CEO to all colleagues in the business every three weeks; and
- daily and weekly communications via email and via 'The Scoop' (an internal online communications site) of news and updates.

There are a number of progressive Google Communities, actively supported by Board level sponsors covering Wellbeing, Ability, Diversity & Inclusion and these and their related projects and activities are well publicised and promoted through the channels described above.

In addition, the Board regularly monitors colleague retention rates, internal promotion rates and colleague engagement through a formal all-colleague survey at least once a year.

The Board ensures that its regular meetings allow it to discuss in full any issues that are identified and to enable full and inclusive debate. The CEO encourages the sharing of points of view and a culture of a 'safe space' to call out any areas of concern. The Group's anonymous 'Colleague Concern' line is well publicised across the business for any concerns in relation to alleged misconduct or unethical practices. (More information on the Group's Whistleblowing policy and procedures can be found in the Travis Perkins plc Annual Report and Accounts 2020.)

Details of engagement with other stakeholders and how stakeholder views are taken into account can be found in the S172 statement.

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## 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 Executive Board 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 at its core.

Where possible, decisions are discussed with affected groups and are therefore generally fully understood and supported when taken. Details of the Company’s key stakeholders and how Wickes engages with them are set out below.

## **Wickes Building Supplies Limited**

### *Shareholders*

Wickes relies on the support of its shareholder, Travis Perkins plc, and its opinions are important to the Company. There is an open dialogue with its 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*

Wickes is enabled by its highly engaged colleagues and winning culture. Wickes colleagues are key to the Company's success and Wickes wants them to be successful individually and as a team. There are many ways that Wickes engages with and listens to its people including colleague surveys, forums, support centre monthly briefing meetings, listening groups, face-to-face briefings, internal communities, newsletters and through the 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 colleagues are made to the Board ensuring consideration is given to colleague needs.

### *Customers*

The Company's vision is a Wickes project in every home, its mission is to be the partner of choice for home improvers and local trade and its purpose is to help the nation to feel house proud. Wickes builds relationships with its customers in-store and through online marketing, social media and advertising campaigns as well as through customer service interaction and feedback. The business spends considerable time analysing customer trends and reviewing customer feedback, including from customer listening groups and trustpilot reports, to understand their needs and views and listen to how Wickes can improve its offer and service. The senior management team meets on a monthly basis to discuss the customer proposition.

### *Suppliers*

Wickes builds strong relationships with its suppliers to develop mutually beneficial and lasting partnerships. Engagement with suppliers is primarily through a series of interactions and formal reviews along with regular communications in relation to legislative and operational changes. Key areas of focus include innovation, product development, health and safety and sustainability.

### *Communities and the environment*

Wickes engages with the communities in which it operates to build trust and understand the local issues that are important to them. Key areas of focus include how Wickes can support local causes and issues, create opportunities to recruit and develop local people and help to look after the environment. In consultation with its colleagues Wickes selects one main charity partner to work with across the business but also works 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 reduction of waste and non-recyclable packaging.

### *Government and regulators*

Wickes engages with the government and regulators through a range of industry consultations, forums, meetings and conferences to communicate its views to policy makers relevant to the business. It has also built working relationships with bodies such as Trading Standards, the ICA and Local Authorities. 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

The Covid-19 pandemic which overtook the majority of 2020 meant that a number of significant operational decisions were required in order to enable the business to continue to trade as an 'essential retailer' and help to keep the nation's houses warm and dry. To provide insight into the approach taken by the Board, a summary of stakeholder views and conclusions is set out below.

Stakeholder	Stakeholder views	Impact on decisions
Shareholders	Wickes' shareholder wants the business to support its strategic aims and to ensure the business can continue to operate safely despite the challenges of the pandemic.	The Wickes business has been digitally led for some time and this ability enabled it to tailor and strengthen its customer offering and continue to operate safely throughout the pandemic. Capacity in the online business and click and collect was increased to meet customer demand and store operations were adapted to include Covid-19 safety measures including social distancing and sanitising stations. This flexibility to quickly adapt and the existing digital strength will help Wickes to achieve long term sustainability.
Colleagues	Wickes 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 want to feel safe when they are at work and they want the business to provide a safe place to work, security and opportunities to develop.	<p>In response to the pandemic, colleagues were consulted and changes to the operational processes in stores and distribution centres were trialled and developed in conjunction and collaboration with colleagues to ensure any colleague concerns were addressed.</p> <p>Safety equipment was provided as a priority to ensure store and distribution colleagues felt safe and confident to deliver each day. Communication of protocols was regular and updated as government regulations developed and changed.</p> <p>Colleagues who were placed on furlough at the start of the pandemic were consulted and regularly communicated with during their time out of the workplace to ensure they felt supported and continued to be engaged.</p> <p>The change to working from home for Support Centre colleagues was supported by equipment and workplace assessments and provision of required equipment. Regular check in surveys were undertaken to test how colleagues were feeling and take mitigating actions to help colleagues wherever it was possible to do so.</p> <p>Communications about the business and colleague wellbeing were increased to ensure colleagues' desire to be kept informed was met. Video conferencing facilities were put into stores to facilitate "face-to-face" communication as meetings could no longer take place in person.</p>
Customers	Our customers want propositions that work for them and for the business to operate in an ethical and safe way.	<p>The pandemic resulted in an increased demand from customers for DIY products to address projects in their homes. Some customers were concerned about leaving home or entering stores resulting in increased demand for online and collection channels.</p> <p>The business responded, ensuring customers' needs were safely met, with a bolstered click and collect and online delivery proposition capable of meeting higher volumes. Risk assessments were undertaken and rigorous additional safety procedures were implemented to ensure customer and colleague safety at all times.</p>

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Stakeholder	Stakeholder views	Conclusions
Suppliers	Our suppliers want Wickes to continue to trade in a sustained way despite the pandemic and to understand any future developments which impact their revenues and plans.	<p>The pandemic resulted in unusual and higher levels of demand for some products. Engagement with suppliers to meet the additional demand was essential. The Wickes business worked closely with suppliers to keep them informed of customer trends and Wickes plans and to understand any issues being experienced by suppliers so that solutions could be developed together to manage product supply effectively.</p> <p>The ability of the Wickes business to work with suppliers to flex its offering to suit customer needs enabled it to continue to trade strongly and safely throughout the year.</p>
Communities	Our communities want our continued support with local causes and issues especially during the difficulties of the pandemic.	The pandemic has severely impacted the ability of charities to raise funds for their projects. Wickes discussed the issue with its main charity partner and took the decision to extend the partnership by a year to help ensure the long term success of the charity. Wickes has continued to support and actively fundraise for both its main charity partner and at a local level throughout the year and has supported ad hoc charitable requests wherever possible to help customers who may have specific struggles during the pandemic and for which the business can help to make a difference.
Government and regulators	The government and regulators want us to operate in a safe and ethical way and comply with laws and regulations - particularly the developing and changed regulations throughout the pandemic.	The government and regulators have had to introduce significant new legislation and ways of working in response to the pandemic. Wickes has complied with all government regulation throughout the year, including closing its showrooms and moving to a virtual design and consultation process. It has strengthened its online and click and collect offering and adjusted its store layouts and operating procedures in stores to enable efficient operations which comply with the new laws and regulations.

# **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>

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<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.