

	Reference Number:	Section 172(1) Statement			Section 172(1) Statement
	Version Number:	01	Effective Date:	15/09/2020	

Section 172(1) Statement

The company recognises that strong corporate governance is crucial to safeguarding the key stakeholders in the business. Stakeholder groups have been identified and their interests are considered during all key decisions. Strategically, satisfying all stakeholder goals will underpin long term valuation creation and build business resilience.

Board Meetings

Board meetings are held monthly with all directors expected to attend. The agenda is sent prior to the meeting with a request for any additional items that members would like to raise. The board formally approve all key matters such the annual budget approval, any significant capital expenditure, bank facilities and senior management changes. It is also a forum to review health and safety performance and consider and explore improvements to safety processes.

At the board meetings all key stakeholders are discussed in their relevant sections as follows:

- Health and Safety – Working safely for all stakeholders (employees, clients, supply chain, shareholders, road users and local communities)
- Sales – Clients are key stakeholders and their requirements are discussed at length
- Operations – A review of how the company is working with clients, suppliers and employee stakeholders to deliver what is required and the impact this has on road users and the community at large.
- Staff/Diversity/Inclusion/Ethics – Ensuring employee stakeholders are engaged with fairly and are focused on each month at a senior level. Anti-Bribery and Anti-Slavery are covered in this section as the Board takes a lead role in defining and implementing policies.
- Financial/Project review – The performance analysis for the shareholders to review whether the business is successfully delivering for the other stakeholders and the company itself.
- Customer Focus - With the support of Highways England, Toppesfield has developed a 'Customer Centric Action Plan' that focuses on reducing the impact of operations on the local community and other road users and this plan is reviewed at the meeting.
- Other items such as capital expenditure/IT/Property and miscellaneous items are also covered each month

Day-to-day decisions are delegated by the Board to sub teams that are all led by a Director. The relevant director will collaborate with the wider board depending on the size and gravity of the decision or whether it is prescribed as a reserved matter.

Decision Making

Key decisions will be made at board meetings. Business cases will be presented to the Board for agreement. These business cases are expected to have considered the business stakeholders as part of the proposal. To achieve this engagement with stakeholders is pivotal to understand their requirements. For example, staff surveys maybe relevant to engage employees with the decision-making process as much as possible.

Culture

The board consider all employees as family and this is openly discussed at employee engagement days. The family ethos is driven not only by the board members but by the employees that are rewarded for recommending their friends and family to join the business. This recruitment model has driven a great company culture of supporting each other that in turns leads to the whole business supporting its stakeholders.

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Key Decisions

As a result of the COVID-19 pandemic, the company faced a critical decision whether to continue to attend construction sites or whether to temporarily close operations and monitor the situation. This decision would potentially impact all its key stakeholders.

Pausing operations may have had consequences for the company's long-term success due to several factors. The Government were clear in their aim that the construction industry should continue to operate to ensure that vital transport links remained open. Pausing operations would have likely had an adverse effect on many of the users of the strategic road network that Toppesfield proudly help maintain. The road users include logistics companies delivering vital supplies to hospitals, care homes and supermarkets.

Commercially, pausing operations would have had an adverse effect, both contractually and reputationally, due to commitments made to client stakeholders. The company's key supply chain would have suffered due to lack of turnover and employees may have suffered a loss of income for this period.

However, continuing operations in uncertain times notably carried the potential risk for employees, should they be infected with COVID-19. As a company that always puts safety first, this risk had to be considered very carefully, alongside all possible steps to mitigate risk. A wide selection of employees were consulted for their opinions and concerns.

The board made the unanimous decision to continue to operate, but with several operational changes. Any staff that were considered, in accordance with Government guidelines, to be vulnerable or to have vulnerable family members, were identified and shielded immediately. Additional safety measures were put in place to protect employees, including but not limited to, additional vehicles to enable social distancing, revised safe systems of working and new cleaning and welfare arrangements. WHO (World Health Organisation), NHS and UK Government guidelines were stringently reviewed and followed. Employees were regularly communicated with by the board to ensure they understood the changes and were able to implement them as part of their working practices.

Toppesfield would like to whole-heartedly thank all employees that helped the company continue to deliver the construction requirements of the country during these difficult times.



Matthew Pryor
Managing Director
15th September 2020