

Epta Cold Service Limited

Year ending 31st December 2019

Section 172(1) statement

Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole. In doing so, section 172 of the Act requires directors to have regard to:-

- likely consequences of any decisions in the long term
- employees
- suppliers, customers and other key stakeholders
- impact on the community and environment
- maintaining a reputation for high standards of business conduct
- acting fairly between members

Further details are set out below on how the directors have had regard to the matters and stakeholders set out in section 172 during this financial year:

Likely consequences of any decisions in the long term

In line with Epta Group policy, the Directors and senior managers of the company prepare annually a strategic plan which covers a period of four years. The aim of this process is to achieve alignment of parent company and subsidiary objectives and ensure all major initiatives and key decisions are implemented with a longer-term viewpoint. For example, decisions in the year on pricing in customer tenders take into account the longer-term impact on the business of the potential loss of a customer in a particular market segment versus a short-term impact on profitability from competitive pricing.

Employees

At the end of 2018, the company launched a business change initiative, The Epta UK Way, which has four core elements (Teamwork, Responsibility, Innovation and Excellence) which should guide the way we work. As part of this initiative the Directors are committed to improving communication and engagement with employees. This takes the form of regular briefings and face-to-face discussions with all employees where the company's objectives, business performance and financial results are shared.

People development is a key point in the company's strategic plan. All employees receive an annual performance appraisal which is an opportunity to discuss their individual objectives and career aspirations and identify any training needs. To develop people, the company invests in employee training in a number of ways. We have access to Epta UK's in-house City and Guilds accredited refrigeration training school in Bradford and also support a number of apprentices through on-the-job and college training programmes. Many of our managers have achieved ILM Leadership and Management qualifications or attended Eptacademy leadership development courses run by SdA Bocconi Business School, Milan in conjunction with Epta group.

The health and safety of employees is a key concern for the company. Our health and safety management system is accredited to ISO 45001 and there are regular Health and Safety Committee meetings which include employee representatives to ensure any concerns can be raised and addressed. Health and safety performance and any issues arising are reviewed at every monthly Senior Management meeting.

The company complies with all the requirements of gender pay gap reporting including publishing this data on its website.

Suppliers, customers and other key stakeholders

The company looks to form long-term partnerships with key suppliers both in the UK and through its connections with the Epta group in Europe. The choice of suppliers is subject to the principles of open competition and objective evaluation of price and quality. Epta has a policy of paying supplier invoices as soon as they fall due and considers this as an important point to ensure positive supplier relationships and continuation of supply. The company reports on its supplier payment practices and statistics on a six-monthly basis in accordance with the UK Government requirement "Reporting on Payment Practices and Performance Regulations 2017". The most recent report was filed on 29 July 2020.

The company has a Key Account Manager for each customer who manages the relationship with them. The scope of this role is to work together with customers and ensure their needs are clearly understood and translated into the supply of value-adding products and services and so that any issues can be addressed and resolved promptly. The company is accredited to ISO 9001 and, as part of its Quality Management System, has a process for collecting regular customer feedback in order to ensure that it continues to perform and meet their objectives.

Impact on the community and environment

EPTA is committed to improve the energy and environmental performance of its operations and this commitment is expressed through the following actions:-

- reduction of energy consumption wherever possible;
- investment in research and innovation projects to improve its own production activity and to make energy-efficient and environmentally friendly products.

The company ensures that it is up-to-date and complies with all environmental legislation relevant to its products and services and also works together with customers and suppliers to help them minimize their impacts on the environment.

In common with other Epta companies, the UK operation is ISO 14001 certified to ensure that focus on environmental impacts is maintained on its sites or other premises where goods or services are provided.

Maintaining a reputation for high standards of business conduct

Epta Group has published a Code of Practice which sets out how it expects all Directors, managers and employees to conduct themselves in their business. In addition to the binding principle that all laws must be respected, the basic elements of the code of practice are as follows:-

- Responsibility
- Trust
- Loyalty
- Integrity

This code of practice is available on the company's website www.eptarefrigeration.com.

Acting fairly between members

Epta S.p.A is the sole member or shareholder. As noted above under Epta Group policy, the Directors and senior managers of the company prepare annually a strategic plan which covers a period of four years. The aim of this process is to achieve alignment of parent company and subsidiary objectives and ensure all major initiatives and key decisions are implemented with a longer-term viewpoint. This will include amongst other issues, transfer pricing arrangements, CAPEX plans and approval and dividend policy.