

E G CARTER & COMPANY LIMITED

FOR THE YEAR ENDED 30 JUNE 2021

Section 172 statement

This section serves as our Section 172 statement and should be read in conjunction with the whole Strategic Report.

S172 of the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders in their decision making.

The Directors are required by the Companies Act 2006 to act in the way they consider, in good faith, would be most likely to promote success of the Company for the benefit of its shareholders as a whole and in doing so are required to have regard for the following:

- the likely long term consequences of any decision;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between shareholders in the Company.

The Directors continue to recognise the importance of giving due consideration to the interests of the Company's employees and other stakeholders, including the impact of its activities on the community, the environment and the Company's reputation, when making decisions.

The Board considers that its major stakeholders are its employees, customers and shareholders. When making decisions, the interests of these stakeholders is considered informally as part of the Board's discussions. Engaging with our stakeholders, including shareholders, suppliers, customers and employees, strengthens our relationships and helps the Board to understand the issues that matter most to them and our business and enables us to make better business decisions and deliver on our commitments. Feedback from our stakeholders is continually monitored and reviewed by the Board with appropriate actions taken as necessary.

The Board maintains a good relationship with the Company's employees. The Board has constructive dialogue with employees through the executive directors and members of the senior management team.

The Board aims to lead by example and do what is in the best interests of the Company. Our culture is collaborative, with employees from across the business encouraged to work closely together, value the contribution that each person makes and always act in the best interests of the customer.

The Board ensures that the Company maintains good relationships with its suppliers by contracting on fair business terms and paying them promptly, within agreed and reasonable timescales.

Major customers are engaged with regularly particularly through the many framework relationships we have with key customers. The Board receives regular updates on progress with customers to ensure that decision making considers the needs of the customer base.

The Board recognises that the Company has a duty to be responsible and is conscious that its business processes minimise harm to the environment, and that it contributes as far as is practicable to the local communities in which it operates.

The Board recognises the importance of maintaining high standards of business conduct. The Company operates appropriate policies on business ethics and complaints which all employees are aware of. The Company regularly seeks feedback from employees through a regular staff survey.

The Board aims to maintain good relationships with its family shareholders and treats them equally. The Company communicates with shareholders informally during the year with one formal meeting every year.