



DRIVING SURFACE PERFECTION™

U-POL Holdings Limited 2019 Section 172 Companies Act – Directors Report

Section 172 (1) Companies Act 2006

The Directors set out a revised three year strategic plan in 2016 to deliver long term shareholder value. This is reviewed annually by the Board and updated on a rolling three year basis. As part of the strategy the Group has been repositioned as a premium branded surface repair and protection business. Within surface repair the Group operates in all channels of the Automotive repair industry. The Group has a strong and growing presence globally and has developed a highly profitable niche position in the protective coatings market. The Directors believe that combined, these two core platforms will allow the Group to promote the success of the company for the benefit of the shareholders as a whole.

The automotive repair industry has undergone significant change in the last few years with large, national and international distributors and Bodyshop chains emerging. These large customers look to partner with a smaller number of manufacturers where innovation is key to winning those partnering relationships as it offers greater sales opportunities for distributors and cost-saving opportunities for bodyshops. As a result the Group has worked hard on engaging the customer base, the sales capability has been upgraded, category management refined and key account management introduced. Also working with our customers the innovation programme has been a particular area of investment and the Brand portfolio has been revamped. All of the above will lead to long term shareholder value.

The Business has also been simplified in terms of a reduction in unprofitable products, reducing the number of countries sold to and reducing the number of suppliers. As part of the innovation programme our chemists work closely with our key suppliers to deliver cost effective and functional new products. The culture across our customer and supplier base is one of “Quality, value, service, innovation and trust” and this is embedded throughout the supply chain and the whole organisation.

The Directors and management operate the business in a responsible manner with the aim of ensuring that the Group maintains a reputation for high standards of business conduct and good governance.

Our employees are fundamental to the delivery of this aim and the Group’s long term plan. The health, safety and well-being of our employees is our primary consideration in the way we do business. We aim to be a responsible employer in our approach to the pay and benefits our employees receive. The Directors hold regular employee briefings throughout the year with all employees covering all aspects of the business and these include a Q&A session. These briefings have been as frequent as every two weeks during the Covid-19 pandemic. In addition in 2016 the Group introduced quarterly and annual Values awards across the business in the five key Values of Develop our people, Drive for results, Delight our customers, Dare to change & Deliver on commitments and subsequently, in 2017, two more categories of Health & Safety and Quality were introduced. These are nominated by any employee and are voted on by the wider management team. U-POL is involved in a number of wider Community initiatives which include providing free U-POL products to local UK colleges for them to use and supporting the Outbound Bound Trust with providing employee Ambassadors who get involved with local schools for disadvantaged children.

The Directors review annually the Group’s Health and Safety, Quality & Diversity and Whistleblowing policies along with the Slavery and Human Trafficking statement which explains the activities we have undertaken to demonstrate our commitment to ensuring there is no slavery, forced labour or human trafficking within our supply chains or any other part of the business.

The Group is committed to reducing the quantity of waste through its production process and has invested in capital equipment and revised processes in order to achieve this. Some new processes introduced in the year have proved successful with significant savings. In addition further capital investment has been made to reduce the likelihood of product spillage before, during and after the production processes.

Consequently the Directors consider they have acted in accordance with their duties in particular to act in a way which they consider, in good faith, would be most likely to promote the success of the Group for the benefit of its shareholders as a whole, having regard to the matters set out in section 172(1) of the Companies Act 2006.

On behalf of the board

MJ Coombes

Director

7th October 2020