

STATEMENT OF THE DIRECTORS DUTIES IN PERFORMANCE OF S172(1) COMPANIES ACT 2006

The board of directors of Timpson Holdings Limited and its subsidiary companies consider that both individually and together for the year ended 25 September 2021 they have acted in the way they consider, in good faith, would be the most likely to promote the success of the company for the benefit of its members as a whole and having regard to the matters set out in s172 (1)(a-f) as below:

- a) The likely consequences of any decision in the long term;
- b) The interests of the company's colleagues;
- c) The need to foster the company's business relationships with suppliers, customers and others;
- d) The impact of the company's operations on the community and the environment;
- e) The desirability of the company maintaining a reputation for high standards of business conduct; and
- f) The need to act fairly between members of the company.

The directors make decisions by taking their legal duty into account and also the priorities and requirements of the stakeholders.

'a) The likely consequences of any decision in the long term

The directors have regard to the likely consequences of their decisions on the long term objectives and sustainability of the company, its stakeholders and the community whilst also preserving its values and culture.

With this in mind, when a dividend is proposed it is important to confirm the availability of distributable reserves whilst also considering cash requirements for future capital investment and without prejudicing the position of other creditors.

We assess the profitability of each of our branches on an individual basis and will make the decision to close one if the costs outweigh the takings. This decision would be made on a long term view and closing one branch will have an overall positive impact on group profitability. Every effort will be made to relocate our valued colleagues to nearby branches.

Investment in skills and training is an area where initial costs are more than outweighed by long term benefits. We will strive to train our colleagues to the highest standard possible as they are our greatest investment.

We are a business built on our standards and reputation and would not take a decision which would have a detrimental impact on this whether in the short term or the long term. We are dedicated to ensuring we maintain our culture whilst achieving our purpose.

'b) The interests of the company's colleagues

Our colleagues represent our business so it is very important that they are 'superstars' with the right attitude and the drive to create ideas and set high standards. All colleagues are encouraged to be honest and regular reviews and 'Your Say's are held to facilitate this. To assess this, all colleagues complete an annual 'Happy Index' with around 70% of colleagues responding and over 60% of them returning a score of 10/10 (over 90% returned a score of 7/10 or above). The board receives reports on the results of these surveys together with action plans that management intend to take forward. The directors make an effort to visit each branch to talk to the colleagues which gives them the opportunity to hear their ideas and see first hand where any improvements can be made. To this extent, we also encourage all of our office-based colleagues to work a day in a branch at least once a year alongside our branch colleagues. In addition to this, all of our office based colleagues have selected a 'buddy branch' who they keep in regular contact with and work with for 1 day each year. It is important that our Area Managers know the colleagues in their team on both a professional and a personal level. Our colleagues therefore know that they have the support network there to help them if they need it.

Our Area Managers also have strong relationships with each other which enables them to share ideas and experiences to the benefit of the whole group.

Open lines of communication are vital to our success with regular Town Hall meetings being held at Timpson House and weekly 16 page printed newsletters being sent to all of our branches and colleagues. During the lockdowns, James Timpson, CEO, sent a weekly video message to provide all colleagues with an update. This has continued as it has been so well received by colleagues.

Maintaining high standards and having absolute trust in our colleagues are the key attributes which have done, and continue to drive our success.

There is a strong relationship between the trustees of the pension scheme and the Board with regular communications being sent to colleagues (both retired and working).

'c) The need to foster the company's business relationships with suppliers, customers and others.

Without a doubt, loyal customers are our greatest asset who provide our best and cheapest form of advertising. The colleagues in our branches have the freedom to do anything they like to amaze our customers. Our colleagues give great service which can be tailored to each customer and they have the right to offer deals and resolve complaints in branch. Spending time talking to and listening to a customer makes them feel important which is key to our success. Mystery shoppers also visit our branches to provide a report on our colleagues' service levels and there is the opportunity for all customers to complete a feedback form if they wish.

We carry out our business with similar-minded people who we like and build on this to forge strong and lasting partnerships which is important for our long-term success. Every 2 – 3 years we hold a 'Partners Lunch' which is attended by the suppliers to update them on our performance and plans for the future.

'd) The impact of the company's operations on the community and the environment.

We are proud to be part of the local and wider communities. It is our aim to create opportunities to recruit and develop local people and to understand the local issues that are important to the community and what we can do to support it. Over the past few years we have seen a move from High Street shopping towards a one-stop out of town supermarket shop which led to us having discussions with major supermarkets to open new units either inside their supermarket or just outside the main door in a Pod. This has enabled customers to get even more of their shopping requirements done in one place.

We offer free dry cleaning to students going to their proms and to unemployed people going to job interviews and it means a lot that we can help create amazing life experiences at little cost or effort.

We aim to be Net Zero by 2040 and are putting measures in place to enable this to happen.

Doing as much as we can to tackle climate change and protect the environment is rapidly becoming one of our top priorities. We comply with climate and environmental laws and regulations.

'e) The desirability of the company maintaining a reputation for high standards of business conduct.

All new colleagues get a New Starter Pack which documents our history, standards, equal opportunities and training programme (among other things). All colleagues have easy access to our Operating Procedures and Codes of Conduct and understand the requirement for them to comply with the Company's high standards of business conduct at all times. Any issues of non-compliance with any of our policies can be dealt with in confidence.

'f) The need to act fairly between members of the company.

The company aims to act with integrity and courtesy in all of its business relationships and will consider all members and stakeholders when making decisions for the overall good of the company.