

Section 172 Companies Act 2006

The Original Factory Shop has a unique position in that for range and value, we're closer to home. This is at the forefront of our minds and is considered in all decision making. As well as considering our purpose the Directors of the group take into consideration all stakeholders and both short and long-term consequences when making business decisions. Our statements of stakeholder and employee engagement can be found below. These demonstrate how the Directors have complied with Section 172(1)(a) to (f) of the Companies Act 2006 when performing their duties, including how their decisions have impacted on the group's employees, suppliers, and customers.

Stakeholder engagement

As a private equity owned group, the Board duly considers the views of its majority shareholder, Duke Street General Partner Limited, and the interests of the group as a whole as part of any major decisions and transactions undertaken by the group. Representatives of Duke Street General Partner Limited are members of the board. Other stakeholders include the local community, suppliers and employees.

Community

When the group opened its first store in 1969, the aim was to offer the local community more than just a great range of products and unbeatable value. The aim was to be the beating heart of their community and to support those who needed us, to support local groups and charities and provide jobs to people within the community.

The group retains these characteristics today, continuing to operate in predominantly small communities and creating a positive impact within the areas we serve. We have established relationships with national and local charities and a strong track record of fundraising over many years.

Suppliers

The group engages with key suppliers, through business updates and, as required, meetings between principals to ensure effective working relationships and to identify potential new mutual opportunities.

The group is committed to ensuring that slavery and human trafficking is not taking place in any of its supply chains or any part of its business and has in place a Modern Slavery Policy which has been rolled out to all colleagues and incorporated into the group's induction programme.

All suppliers are required to comply with modern slavery legislation under the standard terms and conditions of our contracting agreements. The group's Modern Slavery Statement is reviewed annually and can be found at <https://www.tofs.com/pages/modern-slavery-statement>.

Employee engagement

The Board recognises that, as a business that interacts with the public on a daily basis, employees are key to the group's strength and success. The group has a policy of involving employees in its affairs where possible and creating the opportunity for management to explain to employees matters which affect the group's performance.

The Executive Leadership Team understands the importance of leadership visibility and they frequently undertake visits to stores across the UK. They communicate openly and regularly with employees, consulting directly to enable employees' views to be considered when making decisions. This is done through a variety of methods, including an annual conference attended by all store managers and the Leadership Team and regular Support Centre (Head Office) Monthly Business Reviews which provide a full business update from senior management. In addition, all colleagues receive by post "Talk of TOFS", a bi-annual magazine which provides business updates, information and features.

Colleagues are able to share in the group's success through central and store-level bonus and incentive schemes, linked to group and location performance.

Regular communication is considered essential by the Leadership Team with weekly newsletters being circulated which include management updates, news about new products, list of current vacancies, an activity planner and other relevant information.

Health & Safety remains a key priority for senior management. Updates are provided as a key part of the monthly board meetings and colleagues are provided support and updates by the group's dedicated in-house H&S team.

The group acknowledges their legal responsibility under the Health and Safety at Work Act 1974. The group will manage the Health and Safety of its employees, assigned contractors and the public, who may be affected by activities associated with the business, so far as it is reasonable and practicable. The Health and Safety Committee is responsible for ensuring standards are maintained. The Health and Safety Manager is responsible for ensuring that the day-to-day objectives of the policy are achieved. The Health and Safety Officer is responsible for accident reporting and there are a number of qualified First Aiders.