

Section 172(1) statement

This statement describes how the directors have had regard to the matters set out in section 172(1)(a) to (f) Companies Act 2006 when performing their duty to promote the success of the Company for the benefit of its members as a whole.

The infrastructure of the Company and composition of the board has been built with a desire to maintain a reputation for high standards of business conduct in all decisions made throughout the business.

2021 has seen more disruption from Covid 19, raw material shortages and input price pressure, but the Company has maintained focus on key functional processes and values across the Company, and on customer service.

The directors consider the following to be the Company's key stakeholders:

Employees

Employees are the cornerstone of our business and the foundation upon which the success of the Company has been built. Frequent engagement with employees is critical to ensure they have the right support and that their views are heard and incorporated into Board decisions. The period post Covid-19 closures has re-enforced how valuable an asset our people are.

The Company's policy is to consult and discuss with employees, through staff councils and at meetings, matters likely to affect employees' interests. The Company keeps employees informed of business performance, key developments and the decisions which are taken that affect employees. This is achieved through established communication channels including Notice Boards, Team Briefs, Newsletters, monthly CEO video casts and more formal means such as consulting with elected members of the workforce. The HR function throughout the Company reports directly into the Group CEO, establishing a chain of communication for employees directly into the Board. Regular communications have been instrumental in the Company managing its business in an effective and efficient manner in the challenging 2021 business environment.

A range of policies including employee wellbeing and equality are accessible by all employees and are regularly updated and communicated to new staff via the employee handbook. There is a Group wide intranet platform that facilitates communication.

The Company recognises the importance of employee development and has continued the employee personal development review programme and suggestion programme designed to encourage, recognise and reward employees & agency staff who put forward original suggestions that will improve any aspect of the business. The suggestion programme demonstrates the inclusion of employees and recognises their ideas while improving the performance of the Company.

The Company is committed to being an equal opportunities employer and to valuing diversity. Working practices are free from unfair and unlawful discrimination and encourage mutual trust and respect of all individuals. A policy of equal opportunities enables the Company to employ, train and promote employees on the basis of their experience, ability and qualifications without regard to age, disability, gender and race honouring all aspects of the Equality Act 2010.

Customers

The business places high value on its customers. Forming strong relationships with our customers has enabled the business to grow to where it is today. We maintain frequent communication with our customers to understand their needs, and work with them to continue to design and deliver products that satisfy the consumer.

The Company collaborates with customers to introduce many new models and ranges. This drives our business and seeks to refresh the offer that our customers put to the consumer.

Suppliers

We rely on our suppliers and supply chain partners to provide materials and services that meet both our and our customers' high-quality standards, to reliably distribute our goods across the UK and to provide the factory workspace within which we manufacture whilst always seeking to achieve value for money. We strive to build trusting partnerships from which we can both mutually benefit.

Westbridge Furniture Designs Limited

Extract from the Annual Report and Financial Statements for the Year Ended 31 December 2021

Investors

The input of and continued access to working capital and other funding has been essential in facilitating the Company's growth to date. Investors rely on us to protect their investment and to deliver sustainable, profitable growth.

To ensure the continued long-term success of the business the board considers the long-term consequences of all its strategic decisions and the implications of these decisions on the stakeholders listed in this statement. During 2021 the Board approved significant capital expenditure to improve and sustain the long-term profitability of the Company.

The Group CFO and the Group's finance team are responsible for managing the relationships with our bank and other funding providers, and for the Company's cash management and financing activities. The Group CFO regularly reports to the Board on these activities including policy reviews and market updates.

The Board carefully considers the Company's cash position and forecasts when making decisions on capital expenditure allocation.

The Group hosted a shareholders' day to bring all shareholders up to speed with performance and to discuss strategic plans.

Communities and the environment

The Company has a responsibility to protect both the environment and the interests of the local communities in which we operate. Minimizing non-recyclable waste, is and continues to be a key objective for the Company. Furthermore, low energy and water consumption is a KPI at all premises.

We have an established Environmental, Social and Corporate Governance (ESG) Council chaired by the CEO that drives all our workstreams on ESG matters. We have over 40 ESG trackers and these are reported and audited externally annually. In 2021, the Group appointed a Group ESG Director to drive this agenda further, particularly identifying a route to carbon neutrality and driving utility usage down further.

Governing bodies and regulators

The Company prides itself on its high-quality products and operations and has established design and quality control procedures such that products manufactured meet all relevant quality and safety requirements.

With the growing number of cyber-attacks across the globe hitting large and small organisations alike, the Company has continued to invest in IT, Cyber safety and upgraded security.

The Company is aware of and constantly strives to improve its health and safety performance. The importance that the Board places on health and safety mandates that it reports as a function directly to the CEO.

The Group manages its tax affairs responsibly and proactively to comply with tax legislation.

The key board decisions made in the year are set out below:

Key decisions and developments	Stakeholders affected	Considerations and actions
Investment in health & safety culture and performance	Employees Governing bodies & regulators	<ul style="list-style-type: none">• Protect the safety of our employees while at work and maintain high standards of business conduct.• Ensure that policies and procedures comply with regulations.• Instill a culture throughout the Company to value the importance of health and safety.• A new Company wide health and safety initiative to drive greater local involvement in health and safety matters has been designed and implemented during the year.• A new health and safety leader has been appointed in 2021 to drive engagement and further improvement.• The Company continues to invest in yard improvements and quality PPE.

Westbridge Furniture Designs Limited

Extract from the Annual Report and Financial Statements for the Year Ended 31 December 2021

Key decisions and developments	Stakeholders affected	Considerations and actions
Appointment of an ESG Director	Employees Investors Communities and the environment	<ul style="list-style-type: none"> • Monitor and improve utilities consumption. • Reduce environmental impact of materials used. • Promote an ESG culture • Set a path to carbon neutrality
Addressing the twin challenges of input price pressure and availability, and labour shortages and pay rate pressures	Employees Customers Investors	<ul style="list-style-type: none"> • Managing the unavoidable input price pressures to minimize the impact on customers • Keeping our customers abreast of the impact of input material shortages on delivering products to their customers • Recruiting and training / upskilling new locally based colleagues to replace the loss of skills due to Brexit
Employee development and ideas	Employees	<ul style="list-style-type: none"> • The employee personal development review programme recognises and develops the pool talent across the Company. • The suggestion programme is designed to encourage, recognise and reward employees & agency staff who put forward original suggestions that will improve any aspect of the business.
New HR and payroll system	Employees	<ul style="list-style-type: none"> • Provide a better platform from which to monitor employee needs and history and support employees. • Better management of absenteeism and retention
Re-organisation of facilities in Romania	Employees Customers	<ul style="list-style-type: none"> • The facilities now have the capability to provide wider sewing support, including leather items, from the Group's Romanian operations, thus improving customer service.