

SECTION 172(1) STATEMENT

The Companies (Miscellaneous Reporting) Regulations 2018 (the “**Regulations**”) have been in force with effect from 1 January 2019. The Regulations aim to extend sustainable and responsible governance practice beyond listed companies to private limited companies. The Regulations require the Company to report how the directors of the Company have considered their duties under section 172 (of the Companies Act 2006 (the “**Act**”)) (“**Section 172**”) during the reporting period.

The Section 172 duty is owed by the directors to the Company. In the context of the company, being Bridon International Limited the Company’s directors owe their duty to the Company and not the parent company (NV Bekaert SA). The Board recognises that the overall framework that Section 172 promotes is to drive the long-term success and economic viability of the Company for the benefit of its shareholders and other key stakeholders.

The directors are mindful of corporate governance and seek to demonstrate understanding of their accountability and statutory responsibilities, including application of their Section 172 duties under the Act.

For details of the issues, factors and stakeholders the directors consider relevant in complying with Section 172 of the Act, and the main methods the directors have used to engage with stakeholders and understand the issues to which they must have regard, refer to the Engagement with Employees Statement and Engagement with Suppliers, Customers and Others Statement in the Directors’ Report.

The long-term

The Company and the Board strive to create value for its shareholders in the medium and long-term and to take into account interests of their wider stakeholder base and the impact of their decisions on these stakeholders and their interests. In order to achieve this objective the Company implements and makes decisions which are aligned with the core values of Bridon International Limited. In line with its purpose to manufacture and distribute wire, wire rope, fibre rope and associated products and services; the Company’s aim is to build a successful and sustainable business for the benefit of its direct and ultimate shareholders and other stakeholders.

The Board of directors of the Company have delegated risk management arrangements informally throughout the relevant functions of the Company. The directors are supported by management who conduct risk assessments and ensure that matters passed to the Board to consider have been subject to required approvals and have gone through the appropriate channels. Monthly management meetings at regional, divisional and executive levels assess and monitor the risk profile of the business. Risk registers are maintained at both local and divisional levels.

The Board further considers the long-term in its decision making through the monitoring and challenge of financial projections which cover in depth short and medium-term forecasts as well as broader longer-term forecasts. All levels of divisional management contribute to these projections factoring in broad business considerations as well as macro-economic, political and environmental issues. The Board keeps abreast of the strategic direction and guidance of the Bekaert Group whilst focusing on the factors relevant to the Company when making Company decisions.

All these processes support the directors in making informed decisions with the interests of the key stakeholders of the Company in mind.

Board composition and decision making

The Board of the Company is composed of three directors being Mr D.Boffe, Mr G.Cook and Mr S.Weston. These directors are supported by management functions as necessary such as HR, Tax, Finance, Health and Safety, Environmental and Legal. When the Board makes a decision they are provided sufficient information from the function leads to ensure they are able to make an informed decision. Appropriate escalation processes are in place to ensure that the right individuals are involved in the right decisions. This ensures Board approval for significant matters as appropriate. In all principal decisions stakeholders are considered appropriately. Key stakeholders are considered to be the ultimate shareholder, employees, customers, suppliers, banks, local communities, government and local councils.

All Directors have been appointed due to broad skills and experience relevant to the business. All Directors participate in day-to-day business operations and work closely with wider divisional leaders in the Company and wider Group. Directors have particular financial and operational skills and experience which support their success in their roles.

Mr D.Boffe has previously worked in financial audit in both professional services as well as internally at a large multinational transport company. Mr D.Boffe has experience in senior finance and commercial roles on a global scale. Mr G.Cook has a wealth of experience in senior financial controller and director roles within the manufacturing sector. Mr S.Weston has developed operational expertise from his international roles in the business.

Training

Directors have broad skills, experience and keep regularly informed on development affecting their role. Whilst further formal training or inductions are not held, should matters require specific expertise this is sought from business functions such as HR, Legal, Company Secretariat etc.

Culture

The Board is committed to promoting the success of the Company in a sustainable manner. Whilst doing this the values of the Company are of paramount importance as these values, such as the focus on open communication and team-working, help to drive consistent standards and behaviours. These all contribute to creating a culture of which the employees and Directors take pride in.

The Directors ensure all Board decisions are taken in line with the values and strategic objectives of the Company. Across the Company and wider Group, the culture and values are reinforced through corporate communications and intranet, as well as training on how to adhere to the organisation's policies and procedures, maintain a continuously high standard of business ethics and make sure that the working environment is built on mutual respect and tolerance.

Principal Decisions

Principal decisions include significant commercial and operational decisions. The Board of Directors are responsible for making principal decisions with informal delegation to and/or management expertise sought from various functions. The Board composition is such that it has the necessary skills and experience required to identify the impacts of its decisions on the key stakeholders, and where relevant, the likely consequences of the decisions in the long-term. Stakeholders are considered in Company decisions through formal and informal processes including at board meetings, management meetings and calls. Significant decisions or projects require the preparation of a business case detailing relevant factors of the decision. Steering committees are formed for the consideration of these significant matters.

For details of how the Company engages with its key stakeholders, please refer to the Employee Engagement Statement and Stakeholder Engagement Statement.

All principal decisions made in good faith, to most likely promote the success of the Company for the benefits of its members as a whole, having regard, amongst other things, to the matters as listed in s172(1) of the Companies Act 2006. Having regard to the Regulations and FRC guidance, the directors made a number of principal decisions during the reporting period. The decisions were as follows:

Project Robin Hood	This project involved the replacement of a furnace at the Doncaster site. This project included significant capital expenditure and restructuring which led to a restricted number of redundancies. This project was pursued in good faith to allow more efficient processing, cost savings and enable more environmentally friendly manufacturing. The Board took steps to ensure competent professionals were involved in the furnace replacement design and installation process. This ensured the furnace performed as expected. The Board took care to engage with employees affected by the restructuring, maintaining open dialogue in the process. Through engagement with trade unions agreements were reached to suit all parties.
Holding Companies Restructuring	In the year there was a restructuring and simplification of the Holding Companies. This decision resulted in a large intercompany write off. In making the decision appropriate legal and tax expertise was sought by the Board whilst the impact on customers and suppliers was considered.
Product Development	Through the year decisions were taken to develop commercially through targeting products at new markets. Ongoing the Board monitored results and business performance in determining this to be the appropriate strategic path to pursue. The Board has close management dialogue to ensure they are well informed on such strategically-important commercial decisions.
Covid-19 and Furlough	Resulting from the global Covid-19 pandemic disrupting the market, the Board determined the use of the Government furlough scheme was appropriate. This was due to lower demand and the need to implement Covid safe working practices. Relevant employees were kept regularly informed of changes and impacts on their working.