

s.172 statement – NOVAR ED&S LIMITED

The following statement describes how the directors have had regard to the matters set out in section 172(1)(a) to (f) when performing their duty under section 172 of the Companies Act 2006.

We recognise the importance of clear communication and proactive engagement with our stakeholders. Comprehensive engagement enables informed decision making and is integral to the long-term success of the company. In the table below, and in accordance with the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended by the Companies (Miscellaneous Reporting) Regulations 2018) (the 'Regulations'), we set out our stakeholder groups, as required by the Regulations, how we engage with them and the impact of that engagement.

Stakeholder group	How we engaged	Impact of engagement
Workforce		
<p>We create a workplace where our people can learn and develop their careers while contributing positively to our brand and initiatives. Our key aims for the workforce are as follows:</p> <ul style="list-style-type: none"> maintain a low level of staff attrition; encourage employee engagement with our business in the context of the current market; encourage idea and knowledge-sharing to capitalise on employee ideas and initiatives that could add value to the business; and encourage a healthy work-life balance. 	<p>We have engaged with our workforce in a variety of ways and some specific initiatives are highlighted below:</p> <ul style="list-style-type: none"> Business Overview Webinar 2019; weekly team meetings attended by directors and senior staff; monthly town halls; and 'skip level' meetings between employees and senior management. 	<p>The impact of our employee engagement can be summarised as follows:</p> <ul style="list-style-type: none"> the Business Overview Webinar helped our employees to understand and buy into our roadmap and long-term vision; monthly town halls enabled effective communication of business performance and targets. This resulted in increased two-way engagement and investment in the business plan from employees; and 'skip level' meetings allows employees to escalate any issues they have and allows management to proactively implement corrective measures where needed. It also gives employees an opportunity to share ideas with senior management that could add to the value of the business.
Customers		
<p>We have identified our key customers as those who have the highest impact on our short-to-medium term business. We have engaged with our customers in order to achieve the following objectives:</p> <ul style="list-style-type: none"> improve customer engagement metrics; improve product quality and our service offering; and build and maintain positive customer relationships. 	<p>We have engaged with our customers in a variety of ways, some of which are highlighted below:</p> <ul style="list-style-type: none"> organising 'Voice of Customer' visits giving our customers an opportunity to get involved and engaging them in the new product development programme; conducting surveys during customer service calls; having regular meetings with our key customers and distributors; and organising hospitality events with customers, attended by a director of the Company who is also a member of the British Electrotechnical and Allied Manufacturers Association (BEAMA). 	<p>The customer engagement initiatives resulted in:</p> <ul style="list-style-type: none"> the context of the new product development programme helped us in introducing our new products and their features to customers and collect their feedback to use it to improve our products in the future; customer surveys were processed regularly and the issues raised were flagged and escalated in the appropriate way which resulted in resolving customer issues and improved customer relationships; and customer hospitality events, in particular those associated with BEAMA helps expand our client network and gain experience, knowledge and skills that can be incorporated into our working practices for the benefit of our customers.

The company's ultimate controlling party, Honeywell International Inc, shapes the business strategies for the group which has an impact on the long-term development of the company. In practice, all decisions and policies affecting employees, suppliers and business relationships with stakeholders are implemented by the directors in line with the business strategies decided at the group level and promote the interests of the ultimate controlling party and group as a whole. For further information on the strategy and governance of Honeywell International Inc please refer to www.honeywell.com.

Principal Decisions

Being a part of a large multinational group of companies, Novar ED&S Ltd adheres to policies and procedures which are often set by the ultimate parent company, Honeywell International Inc. During the year, the decision was made to dispose of the St. Asaph site as part of site rationalisation, and it was sold to a third party post year end 2019. All employees at the site were impacted, product lines and other business activity from the site were relocated to other sites of the company in the UK or outsourced to third party vendors.