

Swindon Pressings Limited

Section 172(1) Statement

Financial Year 1 January to 31 December 2022

Section 172 Statement

Director's duties

Section 172 of The Companies Act 2006 states that a director of a company must act in the way it considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to :-

- a. The likely consequences of any decision in the long term;
- b. The interests of the company's employees;
- 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 as between members of the company.

In 2022 the company's lawyers gave a presentation to remind the board of their responsibilities under section 172 and how their duties should be fulfilled.

The board reviewed their current approach to corporate governance and decision making, engagement with stakeholders and its impact on the environment. The following summarises how the company's board fulfils its duties under Section 172:

Decision making

The company's strategy allows it to be competitive, flexible and resilient while also responding to a rapidly changing market situation. In 2022 examples included:

- Monthly review of Key Performance Indicators and definition of actions to ensure it reaches its long-term objectives;
- Forward planning for production interruptions due to worldwide Semi-Conductor shortages and other related supply chain effects.
- Review of its operational structure to ensure its organisational model remains fit for future;
- Review of training strategy to ensure future training needs are met.

For further details on how the company is managed please see the Directors' Report.

Employee engagement

The company's employees are fundamental to the success of the business. The company aims to be a responsible employer in its approach to the pay and benefits of employees. The health, safety and wellbeing of its employees is one of the primary considerations in the way the company does business. In 2022, the following activities have been performed:

- Employees have been asked to participate in an online Leadership Survey in order to help in assessment of employees' concerns and aspirations and specific view on leadership within the business.
- Associate communication events held at the start and end of each year.
- Bi-weekly management briefing, where the company's directors present and are available to answer any questions.

- Regular internal and external messages are communicated clearly and effectively to target audiences via the most appropriate channels.

For further details on how the company engages with its workforce please see the Employee Engagement Statement in the Directors' Report.

Business relationships

The company is fully committed to effectively engage with all of its stakeholders. The company operates in a highly connected environment; the views, decisions and actions of stakeholders have a considerable impact on the business. Therefore, the company's success depends on its ability to engage and work together effectively and constructively. In 2022 examples included:

- Ongoing communication with the company's suppliers to develop deeper relationships with companies in the company's supply chains as well as develop strategic relationships with key suppliers.
- Regular exchange with HM Government and its various departments, UK trade bodies and industry associations as well as other stakeholders to build trust, understand positions, identify trends as well as build on and consolidate partnerships.

For further details on how the company engages with its stakeholders please see the Stakeholder Engagement Statement in the Directors' Report.

Community and environment

Sustainability and taking care of the environment is firmly embedded in the company's culture and corporate strategy. It is therefore an integral part of every thought and action the company takes. The company has adopted a holistic approach, implementing sustainability throughout the value chain. In addition to reducing CO2 emissions, the company's strategy also focuses on achieving continuous progress in areas such as corporate environmental protection, supply chain sustainability, employee orientation and social commitment. The company remains committed to the principles of the United Nations Global Compact and has systematically implemented its Ten Principles worldwide since 2001. The company's sustainability strategy also supports the Sustainable Development Goals adopted by the United Nations in autumn 2015.

The company also recognises the relevance of leading the company in such a way that it contributes to wider society. In 2022, the company is proud to continue its support of numerous charities and community projects as part of its corporate social responsibility, an area that the company takes very seriously. Below are some of examples of its 2022 actions:

- Organisation of many fundraising events throughout the year with its own "Charity Champion" group comprising of employee volunteers.
- Encouragement of its employees to volunteer in their communities. In 2022, the company's employees have completed hours of volunteering, supporting the local community, including supporting local initiatives.

For further details please see the Community and Charity section in the Directors' Report.

Culture and values

The company's culture is characterised by clear responsibility, mutual respect and trust. Lawful conduct and fair competition are integral to its business activities and an important condition for maintaining a reputation for high standards of business conduct securing long term success.

The company is focused on people, with customers being at the heart of its business. The company embraces diversity, flexibility, sustainability and continuous improvement throughout the organisation. The company has a customer centric philosophy with transparent, fair and simple processes.

The board and senior management have taken active steps to drive cultural change and to ensure corporate strategy and customer orientation principles and values are embraced across the organisation.

Performance of the company

Revenue increased by 13.4% compared to the previous year. Gross Profit expressed as a percentage of sales decreased slightly from 12.4% in 2021 to 12.1% in 2022. Net assets at the end of the financial year were £45.7m (2021: £45.0m). The profit for the year is shown in the Statement of Comprehensive Income.

Risk and uncertainties

The impacts of the Coronavirus outbreak, which was characterised as a pandemic by the World Health Organisation in March 2020, presented significantly reduced impacts on production, sales volumes and profitability in 2022 compared to 2021. Ongoing issues in the current year were the limited availability of certain components linked to the worldwide semiconductor shortages leading to adjustments in customers' production volumes.

The war in Ukraine at the beginning of 2022 has brought further disruption to customers' supply chains. Combined with the previously mentioned semiconductor shortage risks, these supply limitations can also lead to production volume adjustments. The company's risk mitigation measures continue to lead to an agile response to counter risks in volatility. Key strategies are continuously developed to improve all areas of the company's performance and risk management.

Outlook in 2023

A clear focus on premium vehicles and premium services for individual mobility remains the core of the company's business model. The company will continue to refine this approach. The company does so in light of changing customer demands, stringent regulations and the demands placed on automobile manufacturers by different industrial policies in different countries and it continues to sustain a clear focus on process stability and on-going productivity improvements whilst supporting and reacting in an agile way to external market factors. The highly successful MINI BEV (Battery Electric Vehicle) launched in 2020 to the global market, has solidified its position within the MINI Brand portfolio and within the production environment, increasing production to support market demands. Production volumes overall, despite of the risks identified, are forecasted to meet BMW Group sales forecasts. No new major investments are planned but expenditure for optimisation of existing facilities will continue.