

## **SECTION 172(1) STATEMENT**

As the board at Farol Limited, we have a legal responsibility under section 172 of the Companies Act 2006 to act in a way we consider, in good faith, would be most likely to promote the company's success for the benefit of its members as a whole, and to have regard to the long-term effect of our decisions on the company and its stakeholders. This statement addresses the ways in which we as a board outwork this responsibility.

### **Promoting the company's success for its members**

Farol Limited was started by George Vellacott in 1976 and the company continues to be controlled and run by the Vellacott family. The company now employs over 230 staff members and are the market leaders in agriculture, groundcare and homeowner products, holding the market leading John Deere franchise along with many other brands. For nearly half a century the company has provided employment, training and financial reward for its owners and employees.

The company operates from six depots covering various parts of the country and part of the Company's strategy for growth includes the expansion of its dealer network. Since the end of the year the company was successful in bidding for another area and now operates from an additional depot.

With thanks to a strong prestigious brand portfolio the company continues to explore possibilities and in doing so aims to maximise the company's ability to grow profits and market share whilst returning the highest possible value to the Vellacott family shareholders.

The company makes strategic decisions based on long-term objectives and has invested significantly over the years to ensure that we can deliver high quality innovative products to our customers and provide excellent customer aftercare.

### **Engaging with stakeholders**

Our key stakeholders, and the ways in which we engage with them, are as follows:

#### **Our employees**

We are one of the leading John Deere dealers in the UK with people at the heart of its strategy. We rely on a skilled team of product service advisors, technicians, agricultural engineers and a highly motivated sales force who are critical to the success of the business. We are renowned for our customer service which requires us to adapt to ever increasing demands for our products. This cannot be achieved without the dedication, expertise, skills and professionalism of the workforce.

Recruitment and retention of staff is therefore considered very important and we engage with staff members by:

- setting competitive remuneration packages and rewarding performance with bonuses at all levels;
- carrying out regular appraisals of staff members;
- providing training and career development support;
- ensuring that staff members are present at management meetings and involved in decision making.

#### **Our customers and suppliers**

Innovation is crucial to the continuing success of the business so that we can continue to offer customers the best quality products and service. A customer Satisfaction Index is monitored monthly to ensure good customer feedback.

Our major suppliers set us product targets and business objectives and recognise that ongoing success is dependent on retaining good relationships with key suppliers.

#### **Our Community**

As we are a family-run company we have invested over the years in our local community and sponsored various events on an annual basis and also make other charitable donations throughout the year.

#### **The Environment**

We dispose of all our waste products responsibly and recycle plastic, cardboard and wood wherever possible. At our Milton Common depot we recycle waste oil products which are then converted into heating for the building. In addition in future our company car policy will be to use either hybrid electric or electric vehicles.