

QUARTZINVEST LIMITED

STRATEGIC REPORT

SECTION 172(1) STATEMENT

The Board of Directors consider that they have properly discharged their duties and acted in good faith both individually and collectively to promote the success of the company for the benefit of its members as a whole, as set out in s172(1)(a-f) of the Companies Act 2006 for the year ended 30 September 2020. In doing so they have regard (amongst other matters) to:

- the likely consequences of any decision in the long term,
- the interests of the company's employees,
- the need to foster the company's business relationships with suppliers, customers and others,
- the impact of the company's operations on the community and the environment,
- the desirability of the company maintaining a reputation for high standards of business conduct, and
- the need to act fairly as between members of the company.

The longer term

The directors of the company, by virtue of their ownership interest, consider the likely consequences of their decisions on the longer term success and stability of the company. The directors carefully consider all investment decisions for their longer term benefit and are not focused on only seeking short term returns.

The principal risks faced by the group are set later in this strategic report and the directors are cognisant of these in reaching their decisions. The directors have a control framework in place to address risks including taking advice where appropriate.

The group's employees

The group is a people business and the employees are key to the long term success. The group aims to pay fair and competitive remuneration packages to attract and retain employees. Training is seen as an investment in the long term future of the company. The Quartz Academy has a series of training programmes to meet the needs of the business.

The current COVID-19 crisis has had an impact on all employees lives. The health and safety of all employees is paramount and COVID-19 secure workplaces have been created for those employees unable to work from home. Regular COVID updates were provided to all employees.

Communication is encouraged and an open door culture exists. A new group intranet is one of the methods used to communicate to employees as well as tool box talks. The group also produces a regular newsletter "QuartzExpress" to update employees.

Relationships with suppliers, customers and others

We aim to build strong customer relationships which is proven by the many long standing customers we have throughout the world. Our Mission Statement includes "Listening to our clients' needs, understanding the requirements, delivering the solution - we strive to exceed our customer expectations, deliver against our values and support sustainable growth". Client

satisfaction surveys are regularly conducted and the feedback analysed for any opportunities for future improvement.

The supply chain can be critical to a successful project delivery and long term success. We aim to develop effective supplier relationships and to pay to agreed terms. The latest payment performance reporting for Quartzelec Ltd for the period from 1 April 2020 to 30 September 2020 records that it paid 89% of invoices on time.

Impact on the community and environment

We aim to be a good neighbour in all of our business locations around the world. The group recruits local apprentices in the majority of its UK business units. The group also supports local community activities and makes charitable donations. We aim to reduce our environmental footprint where possible and have initiated Project Turtle to reduce single use plastics. In the UK the company purchases REGO (Renewable Energy Guarantee of Origin) certified electricity. The group has environmental procedures in place and has been accredited to ISO 14001:2015 in some locations.

Safeguarding the group's reputation

The group has a long heritage and can trace its operational roots back over 100 years. We build on the determination, ingenuity and hard work of those that came before us and those around us now to maintain and enhance the group's reputation in engineering services and business conduct.

The group's values have Integrity at its hub and include Relationships, Empowerment, Pride, Progressive, Responsible and Transparency.

Fairness between members of the company

All shareholders are represented on the board of directors. Dividends of £0.6m were paid during the year. The same dividend per share was paid to both classes of shares. The directors considered this appropriate taking into account the distributable reserves of the company, available cash and future investment requirements, whilst also considering the potential impact on other stakeholders.