



# Sustainability Report

June 2022

# Environment



**We recognise that, as a large business and substantial employer, we have a major role to play as a corporate citizen.**

Therefore, we continue to develop our Environment, Social and Governance (ESG) strategy, to ensure our impact on social, economic and environmental facets of society remain positive.

Engagement with key stakeholders including clients, employees, local communities, environmental groups, regulators, business partners, suppliers, and our shareholders all form part of our ESG Strategy.

We understand that to keep global temperature increases below 1.5°C and to meet the UK Government's 2050 NetZero commitment, we need to exercise greater control, define how we plan to cut direct and indirect omissions across the business and supply chains, and chart a credible reduction pathway.

In 2021 we committed to the following ESG and carbon footprint objectives: Revised CSR/ESG policy by Q3 2023 with interim policy by Q4 2022 and supported by:

- streamlined ESG reporting mechanisms with meaningful KPIs supporting each element
- an action plan to ensure CSR policy continues to achieve its goals
- a voluntary signatory to defined CSR/ESG initiatives
- improved public and customer profile.

We will then look at action required and timescale to meet NetZero of

- ISO 14064 verified GHG inventory
- Science Based Targets (SBTs)
- Taskforce on Carbon Related Financial Disclosures (TCFD) reporting and scenario risk mitigation plan.

Business wide certified ISO 50001 Energy Management System (EMS) with:

- enhancement of EMS to support carbon footprinting mandatory and voluntary compliance obligations, objectives and targets; and
- agile processes that integrate with other systems and support the acquisitive nature of the Whistl Group.

The Whistl Group have been submitting data to a number of indices including the CDP (formerly the "Carbon Disclosure Project"). The CDP is the leading international index of climate change and carbon management for companies.

Reporting is in line with Streamlined Energy & Carbon Reporting (SECR) requirements.



**Our performance submitted to CDP for our Downstream Access activity is as below:**

CO <sub>2</sub> e* emissions (metric tonnes)	2021	2020
Scope 1	14,362	16,553
Scope 2	41	40
Scope 3	157	225
<b>Total</b>	<b>14,560</b>	<b>16,818</b>

Intensity figures	2021	2020
Tonnes CO <sub>2</sub> e by revenue	0.022	0.031
Tonnes CO <sub>2</sub> e by no of employees	12.84	12.53
Tonnes per CO <sub>2</sub> e by millions items	4.49	5.90

Scope 3 - CO <sub>2</sub> e (metric tonnes)	2021	2020
Employee commuting	131.28	178.40
Flights	5.38	25.97
Hotel	19.73	18.85
Train	0.68	2.25
<b>Total - Scope 3</b>	<b>157.07</b>	<b>225.47</b>

Intensity figures CO <sub>2</sub> e emissions (metric tonnes) by activity	2021	2020
Facility heating	29	30
Small vehicle fleet	962	1,032
Large vehicle fleet	13,371	15,491
<b>Total - Scope 1</b>	<b>14,362</b>	<b>16,553</b>

Energy consumption (MWh) by type	2021	2020
Fuel	59,581	66,711
Electricity	3,315	3,325
Heat	155	162
<b>Total</b>	<b>63,051</b>	<b>70,198</b>

\*CO<sub>2</sub> equivalent

**Scope 1** = gas / heating (obtained from gas invoices for each site) and fleet CO<sub>2</sub>e (large and small vehicles used to collect, trunk and deliver mail between the customer, depot locations and onward carrier where applicable, data calculated from fuel usage)

**Scope 2** = purchased electricity usage consumed by the reporting company.

**Scope 3** = business travel and employee commuting (information provided by 3rd party applications, Click Travel and Expenses on Demand). Scope 3 data does not currently include any 3rd party supply chain or outsourced provider data.

Latest conversion factors taken from Carbonfootprint.com (Government GHG Conversion Factors 2020) Assumptions used for employee commuting only where 10p per mile was used as the basis to calculate the CO<sub>2</sub>e where cost (as opposed to distance / mileage) was the only data available

## KEY POINTS FROM THE 2021 DATA

### Downstream Access (DSA)

#### Overall

- Reduced CO<sub>2</sub>e by 25% (baseline 2019)\*

#### Scope 1

- Reduced by 18% (baseline 2019)\*
- Fleet impact - greater level of outsourcing. CO<sub>2</sub>e not captured
- Gas impact - Glasgow boiler and lagging fix mid year

#### Scope 2

- Reduced by 96.6% (baseline 2019)\*
- Bristol Electricity - not on Green Utilities contract yet, therefore incurring carbon emissions

#### Scope 3

- Reduced by 76.6% (baseline 2019)\*
- Employee travel and commuting remaining lower due to hybrid working and continuation of Covid-19 throughout the year

\*baseline comparison 2019 as 2020 impacted by Covid-19 restrictions.

### **Environmental and energy objectives**

We comply with all current legislation and other requirements via our environmental and energy policies, objectives and management systems.

We remain committed to understanding, managing and reducing the environmental impact of our activities through innovation, technology and cultural change. Where it is cost-effective and operationally viable, we will practice energy efficiency with premises, plant and equipment.

### **With our vehicles**

We continually invest in our transport fleet to help reduce hydrocarbons.

We use real-time data to avoid traffic delays and road closures to minimise travel time. We train our drivers on the effective use of the vehicles to improve miles per gallon and reduce carbon emissions. We operate double decker trailers to optimise our load capacity and reduce the number of vehicles needed on the road. We are in the process of introducing 115 new trailers into the fleet.

We also operate Peugeot Boxer 435 vans on leases that enable swap out when electric powered replacements become available. All of our ICE commercial vehicles are Euro VI compliant, and we are also introducing 26 new 18t rigid trucks and 17 26t trucks and 126 Renault T-Ranger (Tractor Units) all with eco drive. All company vehicle replacements in 2021 were hybrid or electric.

In 2022, we are consolidating all the transport fleet under a new transport management system (TMS) which will enable us to better utilise the fleet; maximising loads and reducing mileage.

### **Within our buildings**

We reduce our environmental impact through setting targets, underpinned by improvement plans and performance measures. In 2021 we moved our Bristol depot to a new purpose-built site and opened new buildings in Lutterworth and in Northampton. Those new buildings are Breeam rated "Very Good" or "Excellent". We continue to identify renewable energy sources within our buildings e.g. through solar panels.

### **Business travel and employee commuting**

We have always tracked our flights, hotels and train carbon emissions. For the third year running, we are also monitoring the impact of our employees' commutes to work. We have started to see trends and the impact of Covid-19 travel and commuting regulations.

We seek to reduce unnecessary travel by encouraging alternative means of commuting and meeting, such as car sharing, cycle to work and utilisation of public transport, as well as adopting technology such as remote meetings and video conferencing software. Our move to hybrid office working (part in the office, part from home) will also see a reduction in the number of commutable journeys.

Whilst the scope of carbon emissions equates to a small percentage, there is still opportunity to reduce the financial and CO<sub>2</sub>e impact of business travel and employee commuting and we intend to roll out electric charging points across our estate as part of this process.

### **Packaging**

Whistl Fulfilment business and Ethical Superstore (part of the Whistl group) continually strive to use materials that safeguard products and are environmentally friendly. Packing material used includes: paper bubble wrap alternative, unbleached kraft roll, PVC free packing tape, reused cartons and 100% recycled paper void fill.

#### **Waste / Recycling** DSA



#### **RECYCLING PERFORMANCE (%)**

✓ 66% v 65% recycling target

✓ Produced 80 tonnes less general waste in 2021 v 2020

### Our Customers

We work closely with our customers to assist them to act in an environmentally friendly way, offering services and tools that effectively reduce their footprint on the planet. Customers also have the option to offset carbon emissions relating to the distribution and delivery of their mailings.

Our purpose is to help our customers achieve their business goals by providing a high standard of products and services that meet their needs.

We minimise the impact on the natural environment and the communities by raising awareness of our CSR with our customers and the market.

We operate openly and disclose performance information and data when requested by customers.

For a number of customers we provide carbon response for CDP (formerly the 'Carbon Disclosure Project') which discloses our impact within the supply chain alongside proof of other accreditations such as EcoVadis.



Our customers can contribute through Ethical Superstore (part of the Whistl Group) by making charitable donations at the checkout stage and offset their carbon footprint by donating to 'Trees for life'. Ethical Superstore also run a 'Black Friday' deal to support a food bank, donating an item for every order placed.

### Our Suppliers

Due diligence and supply chain controls are in place to ensure that we only engage with reputable suppliers who share our commitment to our business values, CSR and legal and regulatory requirements. During pre-screening and onboarding processes, all potential suppliers are required to confirm their compliance with applicable and relevant criteria, including business, labour and employment laws, such as Anti-bribery and Anti-slavery / human trafficking. We manage our key suppliers closely and have a dedicated Supplier Relationship Management (SRM) programme.

### Compliance and accreditation

Across the Whistl Group we have regular and mandatory training in place for employees in order to:

- Comply with the law and requirements of regulatory bodies
- Carry out duties safely and efficiently
- Foster a culture of risk awareness and mitigation
- Provide an awareness and understanding of specific organisational and industry requirements
- Maintain competence to the required standards identified by our customers and/or external bodies e.g. ISO, IIP.

Employees are required to complete this training at different stages of their career with Whistl, including at induction, change of role, and on an annual basis to ensure they are aware of any updates - which supports our approach to continual improvement.

The core mandatory training that is covered for all staff includes:

- Information Security
- Data Protection
- Mall Integrity
- Safety, Health and the Environment Business
- Ethics and Whistleblowing
- Bribery, Corruption, Tax Evasion and Corporate Criminal Offence.

We also have a number of optional e-Learning packages available which cater to specific topics or requirements which can be delivered on a case by case basis.

## Certification

All of our existing certifications are audited by Lloyd's Register. We undergo external audits alongside our formal internal audit schedule to demonstrate our ongoing compliance with, and improvement within, these standards.

Many of our existing customers require us to complete security or business continuity audits on our operations as required.

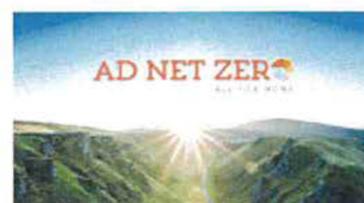
We are certified to and follow the standards below:

OFCOM requirements	UK Postal Regulator
Mail Industry Code of Practice (MICOP)	Operational requirements for postal operators
Postal Services Act 2011	Legislation enabling privatisation of Royal Mail
Data Protection Act	Controls how personal information is used by organisations, businesses or the Government
ISO 9001:2015 certified	International standard dedicated to Quality Management Systems
ISO 27001:2013 Information Security	A set of standardised requirements for an Information Security Management System
ISO 45001:2018 certified	International standard for health and safety at work
ISO 14001:2015 Environmental, Health & Safety, Quality Management	The criteria for an environmental management system
ISO 50001:2018 Energy Management	The international standard for Energy Management
Business Continuity Good Practice Guidelines 2018	The definitive guide for business continuity and resilience professionals
PCI:DSS compliant	The Payment Card Industry Data Security Standard
Carbon Disclosure Programme (CDP)	Recognised as a global leader for engaging with our suppliers on climate change
EcoVadis Silver Medal	Silver award for environmental performance and corporate social responsibility (CSR).
FSQS (Financial Services Qualification System)	Requirement by the largest financial services companies' supplier procurement processes
UK's Border Force & HMRC Customs Clearance Agent	Enables us to offer air, sea and road clearance for mail and parcels entering the UK.



In 2021 we were accredited for the RSQS (Retail Suppliers Qualification System) which is a cross-sector collaboration, compliance solution within the retail sector that reduces the time, cost, resources and duplication needed when providing information to this sector.

The accreditation mark is valued by some of the largest purchasers in the retail industry as it provides confidence and assurance to potential buyers that a supplier is complying with a minimum set of standards including corporate responsibility, sector specific legislation, information security and data protection.



Whistl became an Ad Net Zero Supporter in 2021. The scheme requires participants to reduce the carbon impact of developing, producing and running UK advertising to real net zero by the end of 2030 and commit to make practical changes in the way they run their advertising operations.

# Social



**At the start of the 2021, like all other employers, we faced staffing restrictions because of the continuing Covid-19 pandemic.**

However, due to the investment we made in 2020, we were able to adapt to the changing guidance of working from home, where feasible, swiftly and with minimal impact on customers. As a result of the change in working patterns we have adopted a 'Hybrid' working policy for those roles that are identified as being suitable.

## **Retention, recruitment and training**

The big challenges for employers in our sector have been retention and recruitment of staff, particularly drivers and warehouse operatives. At Whistl, we were not immune to these challenges, especially due to our successful growth.

We believe Whistl is a great company to work for and our average length of service per staff member is 4.1 years - and almost 30% of our colleagues have been with us more than five years. To back this up, we have seen colleagues who left us for more 'attractive offers' return to us because of our values, flexibility and the working environment.

We are not complacent and continue to strive to attract the best talent available to work in all areas of the company. A differential of Whistl over other employers in our sector is our continued investment in skill development.

We believe that people want to work for a company that will give them opportunities to upskill and to develop their potential no matter what their current roles. We call our employee development programme 'Be the best at what you want to be'. In 2021, we took a number of steps to attract and retain employees under this initiative.

The first step was to appoint a Head of Recruitment who has reviewed the recruitment process across the business to ensure we have a consistent and efficient system in place to improve the external attraction of the company, as well as speeding up the recruitment process.





## APPRENTICESHIPS

# 48

EMPLOYEES ON APPRENTICESHIP SCHEMES WITH SIX PEOPLE COMPLETING THEIR APPRENTICESHIPS IN 2021.

### Whistl Driver Academy

Launched in 2021, we are planning to have 100 recruits graduate from the Whistl Driver Academy in its first year. The academy has been structured to appeal to new people entering the industry including the long term unemployed, those under 30, or female applicants who have not considered a career as an HGV driver previously.



Under 'We value your career' we run the following programmes:

### LEAP

Our LEAP programme is our internal career development and leadership initiative which has been running for a number of years. A formal development and review plan is in place for each individual.

### Kickstart

Kickstart is a scheme for young people aged between 16 and 24 who are on Universal Credit and are matched to roles by their Jobcentre work coaches. Whistl had 30 people on the scheme in 2021.

### Apprenticeships

We have widened the scope and range of apprenticeships across the business and have people studying qualifications from Level 2 Warehousing to Level 6 Open University degrees, and Level 7 Sales degrees. We have 48 employees on apprenticeship schemes with six people completing their apprenticeships in 2021.

### TRS /Whistl Bootcamp

A government funding initiative from Dec 2021 - April 2022. TRS are offering to train 60 HGV Drivers and at Whistl we pledge to offer them a job interview after they pass their test. This is open to people who want to retrain and also to people who have been unemployed for two months or more.

### Job creation for the long term unemployed

In Bolton we work with local authorities and communities, supporting campaigns to reach people who are long-term unemployed and want to secure local employment.

We have also been working with Bedford College to offer placements to students with neurodiverse conditions (who need a job coach with them initially). After a three-month probation, we look to offer a permanent role. In addition, we have been working with Instep UK in Bedford to offer SWAPs (Sector based Work Academy Placements) to the long term unemployed.

### My Say

We value what our employees think, and how they feel, and we monitor this through our annual online employee engagement survey, MySay, run by an independent company. In 2021 we had an 82% response rate and our engagement rate continues to be strong at 76%, exceeding the industry benchmark.

### In response to the feedback in 2021, we:

- Introduced five streamed Town Hall Briefings from the Executive Board. Each briefing is followed up by a summary issued to all Managers to share with their teams/direct reports
- Revamped our intranet Marvin, to improve navigation along with more people focused content and a feel and look more in line with the website
- Introduced Mental Health First Aiders training with 16 employees across the business



### Employee Forum

Throughout 2021 we listened to our employees through their representatives and comments received in our engagement survey. We focused on how we can adapt the workspace to support hybrid working, how we can improve our corporate social responsibility and provided feedback to our Reward, Wellbeing and ED&I teams and champions.

### Investors In People (IIP)

In 2021 we again achieved the Investors in People 'We invest in people', standard accreditation. We have been accredited by the IIP for a number of years and the recent audit now incorporates our acquisitions in Whistl Fulfilment and Parcelhub.

The accreditation means that, across Whistl, the principles and practices around supporting people are in place and understood by everyone; and there is wide understanding of how to use them to make work better.

### Equality, diversity and inclusion

This year we launched an employee-led EDI charter and set up a regular forum for 20 volunteer EDI champions across the business to meet share ideas and put in place strategies to deliver our commitment within the charter.

The team has developed our Be You initiative, where we encourage everyone across the business to be themselves at work and to make the most of their talents. It allows us to develop a strong team ethic.

This was reflected in our employee survey with 85% of responders saying they can be their self at work. In addition, 76% said people at Whistl respect individual differences (e.g. cultures, working styles, backgrounds, ideas) and 74% said we actively encourage equality, diversity and inclusion throughout the company. It is a goal to raise these scores through the Be You campaign.

We also support the external initiatives Valuable 500, Race at Work Charter and Disability Confident, and we are working towards the pledges and principles relating to these initiatives. In addition, EDI training continues to be mandatory for all people managers.

### Mental health and wellbeing

We are committed to the care and wellbeing of our employees, and this is underpinned by our 'My Wellbeing' initiative which covers a wide range of resources available to all employees. In 2021, 16 Mental Health First Aiders were trained across the business, and in conjunction with external organisations. Through them we can help reduce the stigma of Mental Health by encouraging open and safe conversations.

### Flexible Working

We recognise the need for all employees to be able to request flexible working if required, and we comply with all legislation in regard to the Children and Families Act 2014. Where a role is agreed to be practical and possible to perform remotely, the individual will have the opportunity to work both at home and in the office as agreed.

### Reward principles

One of our key reward principles is to ensure pay is fair, equitable and competitive regardless of gender and bonuses are linked to company performance.

### Trade Union Representation & National Living Wage

To ensure our workforce is fairly treated and represented, we have engaged with the trade union, Community, since January 2012. We continue to pay all employees above the National Living Wage.

### Additional Benefits

We use You at Work/Plus You to provide employees with preferential shopping and membership discounts across a wide range of goods and services across the UK.

We thank our employees for staying with us by presenting an 'Anniversary Card' from Nick Wells, Executive Chairman, along with a monetary 'thank you' to each individual at the 5, 10, 20 and 30 year service milestones.

#### EMPLOYEE-LED EDI CHARTER

A REGULAR FORUM FOR 20 VOLUNTEER EDI CHAMPIONS ACROSS THE BUSINESS TO MEET. SHARE IDEAS AND PUT IN PLACE STRATEGIES TO DELIVER OUR COMMITMENT WITHIN THE CHARTER.



### Gender Pay Gap Reporting

The snapshot reference period for our data is April 2020, which was the first full month of the Coronavirus Covid-19 pandemic. We accept that the outcome of the analysis for this gender pay gap year is not an accurate reflection of pay across our employee population due to complexities with furlough and reduced hours during the pandemic which does not allow us to provide a true year-on-year comparison.

Based on the Government's hourly rate methodology, Whistl women's mean pay rate was 0.54% higher vs men and the median rate was lower than men by 3.80%.

### Pay Quartiles

The gender pay metric is influenced by the proportion of men and women in each pay quartile. The table below shows the percentage of men and women in each quarter of our pay profile.

	Men	Women
Top quartile	68.3%	31.7%
Upper middle quartile	75.3%	24.7%
Lower middle quartile	74.0%	26.0%
Lower quartile	65.8%	34.2%

### Bonus Gap

Bonus awards for this reference period are linked to business performance. The mean disparity favours men (42.2%) however the median disparity favours women (4.0%). The proportion of men and women receiving bonus were 25.8% of men and 42.0% of women.

Whistl is committed to ensuring pay is fair, equitable and competitive regardless of gender. Our policies, including our compensation framework, union negotiated operational pay structure, and salary benchmarking pay guidance approach, effectively promote equal pay and support gender pay aims. This approach is common across the Group and we also ensure we apply the same policies for any new businesses that join the Group.





### Health and Safety

We have a comprehensive Health & Safety (H&S) framework which includes compliance with all major regulations, a set of policies and a set of KPIs to monitor implementation and effectiveness of H&S standards.

Our integrated Safety, Health and Environmental Management System provides a framework for managing risk, driving continual improvement and maintaining a safe, healthy, and environmentally responsible workplace.

We provide ongoing inductions and training for all our staff and visitors to site. We also provide regular refresher training on key priorities and general SHE standards.

	2021*	2020
Total Incidents Reported	365	243
Total Injury Accidents Reported	224	136
Total Lost Time Incidents	52	33
Total Lost Days	1,174	374
Fatalities	-	-
RIDDOR Incidents	21	15
HSE/EHO Visits/Enquiries	3	3
Accident Frequency Rate (AFR)	4.4	3.5
Accident Severity Rate (ASR)	46.8	N/A
Near Miss %	27%	30%

\*data includes Whistl Fulfillment Group not Parcelhub and Clientbase

2021 figures reflect an expansion in the number of employees working across the Group and improvement in our reporting processes.

### Our community

We are passionate about supporting our local communities and charities through volunteering opportunities, fundraising campaigns, and activities.

There are also other ways employees can engage with communities. Whistl is supportive of employees wishing to work within the local communities on a volunteer basis such as helping out at a local foodbank, managing a local sports team, socialising with the elderly, and more. Employees are also able to contribute by a Just Giving (Give as you earn) facility to support a charity of their choice.

During the year, despite the restrictions on gathering, across the company employees raised over £5,000 for their nominated site charities. The beneficiaries were: MS Society, Alzheimers Scotland, Cancer Focus, Northern Ireland, MhIST Mental Health Independent Support, MIND and Rainbows Children's Hospice.

In 2021 we launched the Whistl Apprenticeship Fund inviting small businesses in the areas where we have sites to apply for funding for their own apprenticeship schemes.

Employers with an annual wage bill of over £3m have to pay the apprenticeship levy in monthly instalments and have 24 months to use their funds once they enter their apprenticeship service account, after which, their entitlement to the funds will expire.

We saw an opportunity to help small businesses that could not afford to fund their own apprenticeships by allocating our monthly surplus funds to them. rather than sending it back to the government.

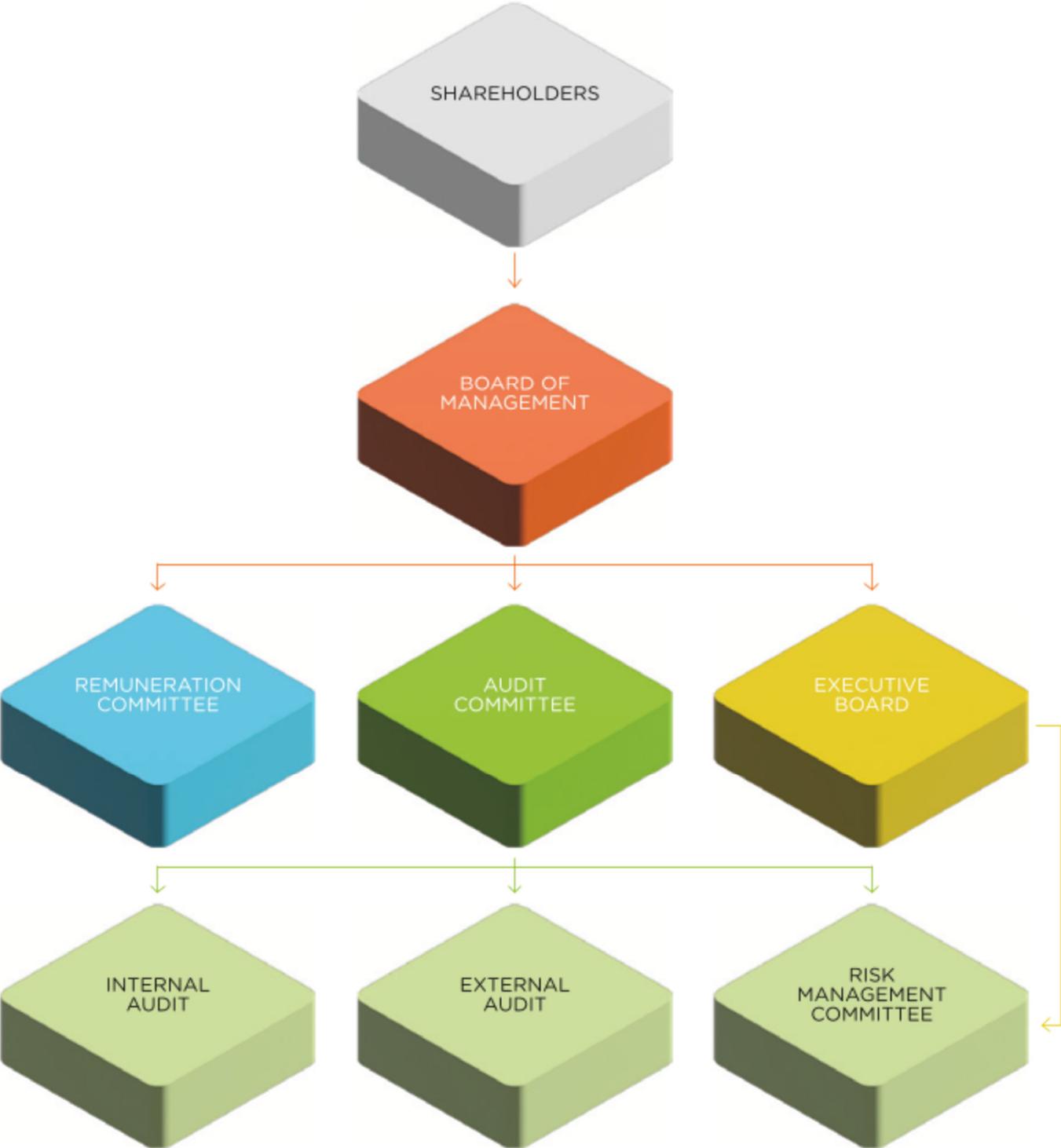
Whistl typically has circa £30,000 a month available from its Levy to fund apprenticeship training both within the company and the community. The Whistl Apprenticeship Fund is focusing on early years learning, digital and engineering focused apprenticeships.

In a pilot study Whistl has already helped 20 organisations fund Level 2 to 5 apprenticeships in areas including Lancashire, Lincolnshire, Northamptonshire and Yorkshire.



Whistl employees fundraising across the country

# Governance





For the year ended 31 December 2021, the Group has voluntarily applied the Wates Corporate Governance Principles for Large Private Companies.

The Directors have set out below an explanation of how the Wates Principles have been applied during the 2021 year.

### 1. Purpose and leadership

The Group's purpose is to be the UK's leading logistics specialist in e-fulfilment, parcels and mail. The Whistl group comprises market-leading businesses providing efficient, high-quality, and competitively priced services and support for businesses, large or small, across a range of sectors with can-do people working efficiently to deliver exceptional services to all our customers,

### 2. Board Composition

Whistl Consolidated Limited (formerly NNY 91 Limited), the ultimate parent and controlling party is led and controlled by the Board of Management, which is collectively responsible for the long-term success of the Group and the endorsement and application of corporate governance.

The Board of Management is currently comprised of four executives, and three non-executives. The executives and non-executives are not currently subject to retirement by rotation and there is no plan to implement such a regime. The Board of Management always aims to keep an appropriate balance of Board of Management expertise and length of director tenure and recognises that tenure must be considered when examining the independent status of non-executive directors.

#### Board of Management sub-committees

The Board of Management is supported by three sub-committees - an Audit Committee, Remuneration Committee, and an Executive Board. Each committee has terms of reference which are reviewed and revised where necessary.

The Executive Board operates from Whistl Group Holdings Limited, comprising of experienced management and operational teams with deep understanding of the Group's operations.

Our approach to corporate governance is to instil it throughout the business, with the Board of Management taking collective responsibility for the overall management and leadership of the business, together with individuals and teams, taking ownership and being empowered to take appropriate decisions while reporting into the Executive Board, which in turn, reports into the Board of Management.

The Board of Management acknowledges its accountability in the performance and success of the business to its shareholders,

The Board of Management's agenda also covers:

- Planning and monitoring Group strategy
- Financial and operational risk management
- Financial reporting, tax and treasury matters
- Performance of key management personnel and the Executive Board
- Management of shareholders and investors

**The Board of Management operates robust procedures to ensure all decisions are made objectively:**

- Board of Management meetings take place on a monthly basis
- Conflicts of interest are declared openly and in advance and are managed respectfully
- The Board of Management receives a report from the Executive Chairman, Chief Executive and Chief Financial Officer as well as reports from its various committees and the Executive Board
- Members of the senior management team make presentations to both the Board of Management and the Executive Board on specific topics, creating a close connection between the Board of Management and the rest of the business.
- In the period between Board of Management and Executive Board meetings, all Directors receive email updates or, significant matters arising. This may result in discussion by conference call between Board of Management meetings.



## Executive Board Profiles



### **Nick Wells, Executive Chairman**

Nick has led the business since its formation in 2001 becoming Executive Chairman in 2022. He has overall responsibility for the growth and strategy of the Whistl Group and is Chair of Board of Management. He is an industry leading innovator and commentator.



### **Jon Stockton, Managing Director Fulfilment**

Jon joined the Whistl Group in 2021. He joined the company from FedEx where he was Vice President Ground Operations UK and previously held a number of roles in the company over 26 years, joining TNT Express at the start of his management career.



### **Alistair Cochrane, Chief Executive Officer**

Alistair became CEO in 2022 having joined Whistl in 2018 as Chief Development Officer. He has overall responsibility for Fulfilment North, South and South West, Parcels, International, IT and is also Chair of the Executive Board. An industry veteran, he was with TNT Express for 28 years.



### **Dave Twiddle, Director of Operations Mail & Parcel**

Dave joined Whistl in 2014 undertaking a number of operational leadership roles. He has played a central role in the development of the network delivering industry leading services to customers. Dave took up his current role in 2019.



### **Nigel Polglass, Chief Operating Officer**

Nigel joined the company in 2008 and became COO in 2013. He also has Board responsibility for Whistl Mail and Posthub and function areas of HR, Property & Procurement, Security, SH&E & ESG and Regulation. Prior to Whistl, Nigel held senior positions in Hays PLC and Ceridian Corporation.



### **Mark Davies, Managing Director E-commerce Marketing (ECM)**

Mark joined Whistl in 2003 and occupied several key sales roles before becoming MD ECM. A leading ECM expert and commentator, he is President of ELMA (European Letterbox Marketing Association) and sits on the DMA Print Council and JICMAIL Board.



### **Manoj Parmar, Chief Finance Officer**

Manoj has been with Whistl for over ten years as CFO. He qualified as a Chartered Account with PWC and joined Cable & Wireless, holding senior finance and international positions. He has also held similar roles in several private equity backed businesses.



### **Lynn Dillon, HR Director**

Lynn joined the business over 18 years ago becoming the Operations Director in the DDM business. She took over the HR Director role across the Group in 2014 and has been instrumental creating a culture of continuous improvement.



### **John Evans, Director of Legal and Company Secretary**

John was promoted to these roles in 2019 and joined the company in 2011. He is a specialist in commercial and corporate law, and provides strategic, legal, risk management and compliance advice and support across the Group.



### **Jason Powell, IT Director**

Jason is responsible for the design and implementation of the IT strategy, ensuring a seamless customer experience and leading Whistl's technology innovation programmes. He has held similar roles in the banking, BPO, utilities and retail sectors.



### **Andrew Goddard, Commercial Director**

Andy joined Whistl in 2006 as National Sales Director and became Commercial Director in 2013. He joined the company on secondment from Express Dairies and prior to that he was Client Director Home Shopping, also running Door to Door, at Royal Mail.



### **Gareth Hughes, Procurement & Property Director**

Gareth has been with Whistl since 2014 where he has responsibility for procurement, property and fleet management. He has held leadership positions at Bupa and Legal & General and is a Fellow of the CIPS.



### 3. Director Responsibilities

The Board and individual Directors have a clear understanding of their accountability and responsibilities. The Board's composition, policies and procedures support effective decision making and independent challenge.

Individually each executive Director is required to perform his/her role in accordance with prescribed role profiles and competency requirements, which helps to ensure the Board members remain "fit and proper" to undertake their duties (whether commercial, fiduciary or regulatory) and responsibilities to the Group. The three non-executive Directors provide independent challenge to the executive Directors and provide balance to decision making processes.

Good governance supports open and fair business, ensures that the Group has the right safeguards in place, and makes certain that every decision it takes is underpinned by the right considerations.

Whilst Board oversight is always maintained, key decisions are made by individuals and committees with the most appropriate knowledge and industry experience.

The Board delegates authority for day-to-day management of the Group to the Chief Executive Officer. Certain governance responsibilities are delegated to other committees.

The Group has defined organisational structure with clear roles and responsibilities. The structures in place ensure appropriate limits are used for internal authorisation. Decisions are made in line with approved annual budgets.

There are sufficient internal authorisation controls which include separate controls covering purchasing and sales contracts.

The Board meets on a monthly basis and in advance of each meeting receives a board pack containing information on all key aspects of the business including health & safety, risks and opportunities, financial performance of the business, strategy, operational matters and market conditions, supported by specific Key Performance Indicators. Key financial information is collated from the Group's accounting and operational systems. The Group's financial function is appropriately qualified to ensure the integrity of this information and is responsible for remaining compliant with reporting standards and regulatory changes. Financial information is currently externally audited by Ernst & Young LLP on an annual basis.

### 4. Opportunity and Risk

The Board aims to promote the long term sustainable success of the Group by identifying opportunities to create and preserve value, and establishing oversight for the identification and mitigation of risks.

The Group has in place a team dedicated to Risk Management which includes representatives from all of our businesses, internal audit, security, legal, procurement, finance, HR, as well as executives so that it can identify risks from across the business and the sector, review the nature and extent of them and develop solutions to manage or mitigate the risks.

The Risk Management Committee also works closely with the business, providing guidance and support to key risk owners within the Group's business and support functions. Key risk owners within the business attend quarterly Risk Management Committee meetings to provide updates on key strategic and emerging risks within their remit.

Monthly Board of Management, Executive Board, Senior Management & Operational Team meetings provide a forum for discussion on long term opportunities and risk.

The Risk Management Committee keeps under review and makes recommendations to the Board on the Group's risk appetite tolerance and strategy on an annual basis, or more frequently if required. The Risk Management Committee also sets the standard for ensuring the accurate and timely monitoring of large exposures and certain risk types of critical importance and ensures that these are escalated to the Board as appropriate.

The Group maintains full compliance with all applicable legislation either through certifications or alignment to best practice. The Group has developed an Operating Framework which includes the Group's operating rules, processes, best practices and delegated authorities. The Group is also certified for ISO 9001 • International standard dedicated to Quality Management Systems.

In addition the Group maintains full compliance with all applicable legislation and contractual requirements (e.g. General Data Protection Regulation, Data Protection Act 2018), and any supporting management system certifications and by operating an Information Security Management System (ISMS) aligned to the principles of ISO 27001. The Group fully complies with relevant UK legislation.

The Audit Committee, consisting of the Independent Non-Executive Director (as chairman), the Executive Chairman of the Board and other Board members attending by invitation as appropriate, ensures that material risks both inherent and emerging are identified and managed appropriately. The Audit Committee meets annually. Robust internal processes exist to ensure systems and controls operate effectively, and that the quality and integrity of information provided is reliable.



## 5. Remuneration

The Group's Remuneration Policy and compensation practices were kept under review by the Remuneration Committee throughout 2021, with a view to ensuring that they were consistent, and promoted effective risk management and were aligned to the Group's business strategy, values and long term objectives.

Remuneration for the Directors and the senior managers in the Group is set by the Remuneration Committee, which reviewed the remuneration packages of all executive directors and certain senior managers within the Group for 2021, with a view to ensuring that executive performance was remunerated not only on financial performance, but also on qualitative measures aimed at preserving the legal, regulatory and reputational health of the Group.

The Board is committed to improving the Group's Gender Pay Gap. The Group's latest Gender Pay Gap Report, which was reviewed by the Board prior to publication, is available on the company's website at [www.whistl.co.uk](http://www.whistl.co.uk).

## 6. Communication with stakeholders

The Directors seek to foster effective stakeholder relationships aligned to the Group's purpose. The Board is responsible for overseeing meaningful engagement with stakeholders, including the workforce, and having regard to their views when taking decisions.

The Group undertake an annual employee engagement survey: MySay. We have consistently achieved an overall Engagement score that is above the average for our sector.

The Group keeps employees up to date on strategy and performance through a variety of channels: including formal leadership events, employee briefings, the Employee Forum and a digital employee communication tool. Regular meetings with the Employee Forum have continued on a quarterly basis and are supported by members of the Executive Board

The Group issues a regular monthly communication to all shareholders and investors which includes the monthly performance of the business as well as its performance in the year to date. The communication provides an assessment of the company's position and prospects and its latest news.

Whistl Group is wholly UK resident and commits to complying with all relevant laws, rules, regulations and reporting and disclosure requirements in relation to its tax activities alongside maintaining an open and honest relationship with all relevant tax authorities.

Whistl's tax strategy can be found at <https://www.whistl.co.uk/corporate-documents>

The strategic report on is approved on behalf of the Board,



### Principal risks and uncertainties

The Group has determined its key principal risks as those risks that the Group considers material and which could have a significant impact on the Group's financial position, its operations and/or reputation.

### Risk management

The Group's principal risk management processes comprise risk registers and reviews, control risk self-assessment and a Risk Management Committee. The Group faces a diverse range of risks and uncertainties which could have an adverse effect on its success if not managed. The Group has designed and embedded a risk management process to identify and monitor potential risks and uncertainties relevant to the Group and then seeks to eliminate or reduce these to the lowest extent possible to protect the business, its people and customers, and support delivery of its strategy.

The risk management process is intended to mitigate and reduce risk to the lowest extent possible but cannot eliminate all risks to the Group and its businesses. The Group's risk management process and controls can only provide reasonable and not absolute assurance against material misstatement or loss.

The risk management process incorporates both top-down and bottom-up elements to the identification, evaluation and management of risks. Mitigating controls are identified and opportunities for the enhancement are implemented.

### Risk Governance

The Board of Management is ultimately responsible for the Group's system of risk management and internal controls and reviews their effectiveness on a regular basis throughout the year.

### Risk overview

The Board of Management recognises that the risks faced by the Group change and it regularly assesses risks to manage and mitigate any impact.

Summarised are the key risks, not in order of significance, that the Board of Management has identified as the primary risks to the Group's successful financial performance, reputation or operations in the year ended 31 December 2021 and future years.

### Financial risk management

The Group has established processes to identify, monitor, mitigate and where feasible, eliminate these risks.

### Capital management

Management consider capital to consist of equity plus net debt as disclosed in the balance sheet. The primary objective of the Group's capital management is to ensure healthy capital ratios in order to support its business and maximise shareholder value. The Group's financial instruments comprise of cash and liquid resources and various other items, such as receivables and trade payables that arise directly from its operations. The Group's policy is to finance its operations through operating cash flows and have access to a fully committed £75m facility from HSBC.

### Market Risk

The Group's activities are principally provided to UK businesses and as a result the fortunes of the business are linked to the general health of the UK economy. The company's exposure is limited by having a broad customer base and a diversified portfolio of services, however the business remains exposed to fluctuations in marketing budgets, e-substitution, recession and continued market evolution.

### Regulatory risk

The Group operates in a regulated market which affords a level of protection against any anti-competitive behaviour, mandates access to Royal Mail's network and controls elements of Royal Mail's pricing. The regulator, Ofcom, are currently consulting on their proposals for a new regulatory regime to be in place until 2027. Whistl is fully engaged in the process and will continue to submit its views to Ofcom formally through the call for inputs process, the request for information and has submitted its consultation response. Management considers this risk to be manageable and in control.

### Credit risk

The Group has significant credit risk, particularly given that a substantial amount of turnover is the pass through to customers. This credit risk is carefully managed by specialist credit control teams. Standardised company processes, credit checks, managed and monitored credit limits and tight credit control processes are adhered to in order to minimise risk. In addition, the Group utilises credit insurance to protect any significant exposure to bad debts.

### Treasury management

In order to maintain liquidity and to ensure that sufficient funds are available for ongoing operations and future developments, all risk exposures including funding, foreign currency, interest rate exposures and cash management are regularly monitored by the Board of Management. The prime focus being performance and strategic issues as well as the mitigation and management of these risks to an acceptable level. The Group expects to meet its financial obligations through operating cash flows. In the event that the operating cash flows would not cover all the financial obligations, the Group has substantial, fully committed unused credit facilities available.

### Price Competition

The Group operates in a highly competitive environment. The Group is focusing on excellent account management and consistent quality of service with initiatives designed to improve competencies surrounding customer services, operational improvement, sales support and training.

In the Parcel and Mail business, the key factors for success are quality, customer confidence and competitive prices. The Group mitigates this risk through close customer contact, with key account managers regularly undertaking performance review. Pricing of Royal Mail services is determined by Royal Mail but is monitored by the Regulator, Ofcom.

### Competition and supply risk

Our continuing success in the e-commerce fulfilment sector is attributed to a continued focus on the development of our services which are aimed at a growing e-commerce market. We continually monitor our competition and the market to ensure that we remain in a competitive position.



### **Cyber and IT data risk**

Our data and systems are exposed to risks and the enhanced threat landscape that has become more hostile. These risks could lead to data breaches or disruption to our systems or operations.

The Group reviews information security regularly and invests in proportionate and appropriate services, resources, systems, training and processes to endeavour to ensure the security of its systems, data and customer information. The Group also utilises integrated and complementary solutions and services to protect against data security risks and provide solutions for mitigation and remediation supported by our Business Continuity Plan, and by communicating to our staff the importance of maintaining vigilance to protect digital assets.

We enforce robust security and privacy controls to offer our customers and employees the assurance that we are committed to compliance with the regulatory requirements of both Payment Card Industry Data Security Standard (PCI DSS) and fulfilling our obligations under data protection laws.

### **Business continuity**

The Group has detailed business continuity plans in place for all sites to ensure an immediate and appropriate response to a business continuity issue or disaster scenario.

### **Anti-bribery and corruption**

The Group operates an anti-bribery and corruption policy which was put in place in response to UK Bribery Act 2010. This policy sets out the responsibilities of employees of the Group in observing and maintaining the Group's position on bribery and corruption, which is that the Group will uphold all laws relevant to countering bribery and corruption in all the jurisdictions in which it operates. All employees are required to undertake a Bribery Corruption Awareness training programme as part of their induction process upon joining the Group.

We publish our anti-bribery procedure on our intranet and each member of staff has to complete an annual assessment through the company's myAcademy online training portal. We are committed to actively investigating any reports of a breach in policy. No breaches were reported this year.

### **Whistleblowing**

The Group has in place a Whistleblowing Policy, which all employees and other defined individuals are required to adhere to and is open to suppliers and customers to use if they wish to report any concerns. The Whistleblowing Policy sets out the ethical standards expected of all persons the policy legally applies to and includes the procedure for raising concerns in strict confidence. Employees are encouraged to raise their genuine concerns regarding any malpractice within the Group without fear of harassment or victimisation. Any instances of employee disclosures concerning malpractice are reported to the Executive Board. There were no instances of malpractice reported to the committee during the year.

### **Modern Slavery Act compliance**

Whistl is committed to ensuring that there is no modern slavery or human trafficking practices within our business or our supply chain. Our Anti-Slavery and Human Trafficking Policy reflects our responsibility to act ethically and with integrity in all our business relationships and to implement and enforce effective systems and controls to ensure slavery and human trafficking are not taking place anywhere in our supply chain.

This policy works in conjunction, with a range of other relevant policies and procedures that set out steps to be taken to support the identification and steps to prevent slavery and human trafficking in the business.

Our Modern Slavery Committee meets at least twice per year and includes representation from Legal; Audit and Compliance; Human Resources; Procurement; Communications; and Security reviewing across the Whistl Group.

Our Anti-Slavery and Human Trafficking Statement for 2020 has been published outlining our plans to ensure our approach and practices are assessed, reviewed and improved up on continually in line with best practice.

### **Staff Development and Retention**

The Group is highly reliant on the continued service of its key management and employees, who process the necessary commercial, operational, HR, IT and financial skills that are critical to the success of the Group. The Group actively encourages the development of all their employees and has a number of programmes that can assist in achieving this at all levels in the business, including e-learning and apprenticeships. The Group's policy and practice is to encourage the recruitment and subsequent learning, development, career development and promotion of all regardless of age, race, disability, gender, sexual orientation and according to aptitudes and abilities. Diversity and inclusion is a main priority for the Whistl Group and our Be You initiative aims to improve our already strong performance in this area.

### **Tax Evasion**

The Group operates a policy as part of its efforts against tax evasion and the facilitation of tax evasion. This policy arises from compliance with the Criminal Finances Act 2017. The policy is available on the Group's intranet, and forms part of a training programme which all employees are required to take each year.

The policy applies to anyone working for any company in the Group (whether they are employees, contractors, workers or in any other form of contract). Specific provisions are also included in our contracts with suppliers. The policy and supplier provisions set out the prohibitions on engaging in any form of tax evasion or facilitating it in any way, and require those working in Whistl and our suppliers to notify us if there is any form of tax evasion or facilitation of tax evasion.



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