

## Responsible business

# Building a sustainable business that delivers for all of our stakeholders

Northgate is a responsible business focussed on working for the success of all our stakeholders. By understanding and meeting their needs, we can realise our vision.



### Our purpose

To provide **expert, easy** and **responsible** vehicle rental.

**Expert:** We have some of the best and most experienced people in our industry working across the Group.

**Easy:** Our customers need us to be easy to work with.

**Responsible:** we are trustworthy and take our community responsibilities seriously.

### Our vision

We will transform business vehicle rental, so customers choose to rent not own.

### Our values

- We are one team.
- We are here for our customers.
- We work with passion commitment and pace.
- We expect excellence.
- We keep our promises.



### Our customers

Our aim is for our customers to appreciate the full value of their relationship with Northgate. We want to be the first choice for their vehicle needs, and we want them to stay with us for the long term. We encourage this through our industry leading levels of service, and the unmatched flexibility of our service offering.

Currently we support approximately 14,900 customers, with 93,200 vehicles on hire across both markets.

# 14,900

Customers

# 93,200

Vehicles on hire

## Our people

Our people are integral to the success of our strategy. We want to help them grow and develop with the business, so they can continue to create value for our customers. On joining Northgate, all our people receive an induction that equips them with the knowledge and skills to maximise performance and progress their careers.

The composition of our workforce at 30 April is as follows:

	2019			2018		
	Male	Female	Total	Male	Female	Total
UK & Ireland	1,361	625	1,986	1,371	506	1,877
Spain	778	410	1,188	735	388	1,123
Total	2,139	1,035	3,174	2,106	894	3,000

The gender split at a senior management level is as follows:

	2019		2018	
	Male	Female	Male	Female
Directors	4	2	5	2
Senior managers	15	4	21	5

### Health, safety and working environment

Our approach to health and safety is simple: to ensure no harm comes to anyone working with Northgate and those who may be affected by our business activities. As employers we believe we should mitigate health, safety and environment risks within our control to an acceptable level whilst working closely with our employees so they understand and embrace requirements.

Our 'Safe and sound' programme creates an environment of openness and awareness, where all colleagues feel able to raise concerns about working practices and conditions. We provide regular training to employees, most of which our Health, Safety & Environment team carries out.

This year, we held a health, safety and environmental awareness week across the Group and this platform was used to further promote HSE engagement and cultures across all functions and levels of the business. The campaign was a tremendous success and we believe it will assist in our goal of raising awareness and continuous improvement.

The Health, Safety & Environment team reviewed the performance of health, safety and environment management systems at all locations across the Group during the year, and where necessary identified improvements, or monitored compliance with Group policy.

We measure health and safety performance across the business using an Accident Frequency Rate (AFR). This is calculated as the number of lost time incidents, multiplied by 100,000, divided by the number of hours worked. These figures were as follows:

	2019	2018	2017
UK & Ireland	0.7	0.9	0.8
Spain	1.6	1.9	1.9
Group	1.0	1.2	1.2

We aim to have as low an AFR as possible. However, due to the nature of our business, it is difficult to find a suitable comparison we can use to create a meaningful target for AFRs. Therefore we simply aim to minimise the number. We also monitor AFRs using previous performance. If there were to be a significant decline in performance, then we would perform a root cause analysis, on top of the continuous monitoring already in place.

### Internal communications

The Group mixes face-to-face, digital and traditional communication channels to maximise the impact of internal communications.

### Training

We use multiple training platforms for our employees. These include Leadership and Operations Academies in the UK, and the Northgate Campus online platform in Spain.

### Equality and human rights

Northgate is committed to equality and considers applicants without prejudice, judging applications for employment on merit with no bias based on race, nationality, gender, age, disability, sexual orientation or politics.

We communicate our ethical standards to employees through the Group's Code of Business Conduct. This covers bribery, competition, conflicts of interest, inside information, confidentiality, gifts and entertainment, discrimination, harassment and fair dealing with customers and suppliers. In addition, the Group's whistleblowing policy and procedure means every employee can have a voice and a way of drawing concerns to our attention.

Information on equality, including our statement of compliance with the Modern Slavery Act, is contained on our website.

### Workforce Advisory Panel

This year the Northgate Board were keen to understand more about how the employees of the Group feel about our strategy and whether Northgate is a great place to work. As a result, we set up a Workforce Advisory Panel consisting of panel members voted for by their colleagues to represent them.

The panel is one of a number of ways in which the Board aims to improve engagement at Northgate and is headed by non-executive Director, Claire Miles. It aims to meet regularly throughout the year and will provide invaluable feedback and insight from employees, on which we can take action.

## Responsible business continued

### Our investors

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Our investors provide us with the capital investment we need. We are listed on the London Stock Exchange and provide investors with regular updates so they can make informed investment decisions. We encourage two-way communication with financial analysts, shareholders and lenders, to ensure we are allocated capital efficiently at a rate which enables us to provide returns to our shareholders.

Our investor relations team engages directly with investors through a mixture of communication channels, to ensure we communicate the vision, values and results of the Group promptly and effectively.



### Our suppliers

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We recognise that our relationships with suppliers are integral to the success of our strategy, and we work effectively with them to ensure we can meet their needs.

Our strong and open relationships with our suppliers enable us to execute our strategy efficiently, while helping our suppliers manage their cash flow and production. We negotiate vehicle pricing annually and we maintain a dialogue with suppliers throughout the year. These relationships contribute to our competitive advantage, and help us generate sustainable long term value for our shareholders.



## Our communities and the environment

We value the communities we operate in, and our aim is for our business activities to have a positive impact on them.

As well as supporting local businesses with their fleets, we employ over 3,000 people at our locations. In addition, we continue to promote green technology and initiatives to protect our environment.

### Communities

As well as being a contributor to the economies we operate in, we encourage our colleagues to support charities that are close to their hearts. We promote all charitable activity through ongoing internal communications.

### UK & Ireland

This year, our employees in the UK & Ireland worked with Macmillian Cancer Support to organise 'Go Mad, Go Green' events. They also supported Mengo Children's Foundation, contributing to the 'Pens for Kids' initiative, sending school supplies to children in Uganda.

### Spain

Our Spanish business worked with a number of community and charity initiatives over the year. This included working with the Coach Project that promotes employment opportunities among young people and working with the University of Nebrija to support the faculty of Languages and Education.

### Environment

The activities we undertake do have a wider impact on the environment. The main measure we use to assess our environmental impact is greenhouse gas emissions.

## Greenhouse gas emissions

This section incorporates the mandatory reporting of greenhouse gas emissions required by the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 (the Regulations).

### Reporting and baseline year

We have aligned our reporting and fiscal years, so the information presented covers the period from 1 May 2018 to 30 April 2019, with the year ended 30 April 2014 forming the baseline data for subsequent periods.

### Consolidation approach and organisational boundary

We have derived the emissions data presented using the operational control approach, required under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013. We have included each facility under operational control within the figures. Northgate has used the principles of the GHG Protocol Corporate Accounting and Reporting Standard (revised edition), ISO 14064-1.

### Methodology

We have used Defra's current conversion factors in arriving at the information supplied below. All six greenhouse gases are reported, as appropriate.

Greenhouse gas emissions source	Tonnes of CO <sub>2</sub> e 2019	Tonnes of CO <sub>2</sub> e 2018	Tonnes of CO <sub>2</sub> e 2014
Scope 1 – Combustion of fuel and operation of facilities	6,793	7,210	5,980
Scope 2 – Electricity, heat, steam and cooling	3,094	3,581	4,348
Intensity ratio: Tonnes of CO <sub>2</sub> e per £m of revenue	19.1	22.9	23.4

An independent, UCAS-accredited, third-party assessor has verified the above data.

We recognise the need to support our customers in managing a sustainable business. We work with our suppliers to make a fleet available to our customers comprising entirely modern vehicles, achieving the highest levels of exhaust emission standards.

## Non-financial Reporting Disclosures

The content on pages 40 to 43 constitutes Northgate's non-financial information statement covering requirements in respect of the environment, employees, social and community issues, human rights, anti bribery and anti corruption. The following information, found elsewhere in this Strategic Report is incorporated into this statement by cross-reference:

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**A description of the business model**

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**Principal risks and uncertainties**

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**Non-financial key performance indicators**

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The Strategic Report was approved by the Board on 24 June 2019 and signed on its behalf by:

**Kevin Bradshaw**  
Chief Executive Officer

24 June 2019