



## **Section 172 (1) Statement**

### **Stakeholders:**

#### **i) Employees**

Our employees are critical to the success of the company and we are committed to ensuring that staff are given the support to develop their skills, both in relation to communication and technical ability. The Board are aware of the benefits of providing effective training to help align the objectives of employees and the company.

During the year, several training courses have been held for employees to continue building upon their skills. This supports the long-term objectives of the company as it allows for staff members to gain the skills that will enable them to progress and seek promotions within the company. This supports the consistency of processes, boosts morale of employees and ensures that productivity is kept at a high level. Employees are engaged with the training sessions and educational opportunities knowing that these activities could improve their chances of promotion.

The Board reflected upon the effectiveness of the training sessions provided and concluded that these sessions had been effective in aligning the objectives of employees and the company, as well as increasing productivity of staff. The training allows for employees to learn from one another, their managers and increases interaction between the Board and employees. Other team social events were arranged which allowed for a more informal interaction between the Board and employees in order to build the relationships further. For example, celebrating Chinese New Year and learning about the Chinese culture. The benefits of these sessions will continue to be seen as productivity continues to increase amongst staff.

#### **ii) Suppliers**

We recognize the importance of balancing price and quality considerations when engaging new suppliers. Whilst increasing profits is a key KPI of the company, the Board have introduced vigorous procedures to ensure that the supply chain is continuously monitored to confirm that it meets criteria set by the Board for high quality, high ethical standards and for being a reputable entity.

During the year, the Board reviewed their policy for new suppliers as well as for current suppliers to ensure that all suppliers used were coherent to the guidelines that the Board had implemented. This involved reviewing the reports and responsibility statements of the entities as well as reviewing the service that had been received from existing suppliers.

This review was effective in ensuring that whilst cost reduction is a key factor, the quality and ethical stance of the suppliers were in line with the company policies.

#### **iii) Customers**

Whilst it is in the company's financial interest to minimise the payment terms agreed with customers where possible, the company is aware that this is not in the best interest of the customer. It is important to ensure that the payment terms agreed are in line with industry standards and are not considerably unfavourable to the customer.



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As a result, the Board undertook a review of payment terms offered to existing customers and considered what the most suitable payment term negotiations would be going forward. The Board compared this to payment terms offered to the company by their suppliers and also in comparison to industry averages to consider whether their current terms were favourable or unfavourable in comparison. This is reviewed at the point where new customers are introduced as well as on an annual basis for existing customers.

This ensures that the company remains competitive whilst also balancing the fact that shorter payment terms aids cash flow.