

Harwich International (Holdings) Limited

Section 172(1) statement for the financial year ended 31 December 2019

In making this statement it should be noted that the company acts as a holding company for operational companies. Therefore references to the company should be taken to apply to the group.

Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole. In doing this section 172 requires a director to have regard, amongst other matters, to:

Section 172(1)(a) - the likely consequences of any decision in the long term

In reaching their principal decisions the directors consider the long term impact, for example the need to consider future changes in shipping when redeveloping berths, introducing remote control yard equipment and switching to electric power from diesel;

Section 172(1)(b) - the interests of the company's employees

The directors aim for all operations to be conducted safely, the health and safety of employees being paramount, the interests of employees are also considered when making long term decisions, for example the impact of the introduction of remote control yard equipment;

Section 172(1)(c) - the need to foster the company's business relationships with suppliers, customers and others

The company's management is in constant contact with its customers and decisions around berth redevelopment and remote control yard equipment to meet customer demand. The company then engages widely with suppliers both when tendering for services and during the life cycle of contracts. Additionally, the company also engages with other port users and its local community;

Section 172(1)(d) - the impact of the company's operations on the community and the environment

The company engages with its local and the wider community, the HPUK Environment Committee leads the company's review of its environmental policy, for example discussing and agreeing an air quality strategy to reduce the impact of port operations on its employees and the local community;

Section 172(1)(e) - the desirability of the company maintaining a reputation for high standards of business conduct

The company delegates responsibilities to a number of committees, including the HPUK Environment Committee, Executive Health and Safety Committee and Anti-Bribery and Anti-Corruption Steering Committee, to ensure a high standard of operational conduct; and

Section 172(1)(f) - the need to act fairly as between members of the company

Whilst most companies within the group are wholly-owned subsidiaries the directors are conscious of the need to consider the interests of minority and joint venture partners.

In discharging their section 172 duties the directors have regard to the factors set out above. The directors also have regard to other factors which are considered relevant to the decision being made. Those factors, for example, will include the interests and views of relevant government departments and agencies. The directors acknowledge that every decision will not necessarily result in a positive outcome for all stakeholders. By considering the company's purpose, vision and values together with its strategic priorities and having a process in place for decision-making, the directors do, however, aim to make sure that decisions are consistent and predictable.

As is normal for a company within a large multinational group, authority is delegated for the day-to-day management of the company to executives, who in turn engage management in setting, approving and overseeing execution of the business strategy and related policies.