

Section 172 Statement

The Company's principal activity is steel stockholding, operating numerous depots throughout the United Kingdom. The Directors are empowered to ensure the business operates in a viable, sustainable, safe and efficient manner.

The Board's primary responsibility is to promote the long-term success of the Company by delivering business performance that meets stakeholders (including shareholders, employees, customers and suppliers) expectations including on time, on budget and safely and to the highest quality standards so as to maintain the Company's financial viability

This is affected by setting out our strategy with ongoing performance monitoring. The Board holds Board meetings monthly to review the main aspects of our business, including financial reviews and forecasts, resources, internal controls, performance, opportunities and risks.

All Directors are directly responsible for the strategic direction of the business, with day-to-day management carried out by senior management and must act in the way he/she considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard to key issues including the interests of the stakeholders in both the short and long term.

The Directors work to a strategic plan, which covers a 4-year outlook cycle. Performance is measured against the plan on an ongoing basis. Some of the factors that are taken into consideration when drawing up the strategic plan include: market outlook, routes to market, inflation forecasts, operational footprint, historic performance, innovation/technology advancements, customers, employees, environmental, government, regulatory compliance, investors, shareholders, suppliers, societal trends, etc. The strategic plan is reviewed on an ongoing basis, with the plans being updated on an annual basis.

The Directors review performance at the monthly board meetings and discuss new developments, opportunities, risks as well as monitoring the effectiveness of their decision making. The impact on our stakeholders are duly considered in all of our decision making.

The interest of our employees

The Directors understand the importance of our employees to the long-term success of the business. All staff are managed by a line manager, their performance is measured by their line manager against pre agreed KPIs and training and development needs are identified in the annual PDRs as well as through ongoing on the job training and external training as necessary.

We aim to recruit & retain motivated and competent people and we believe in promotion from within as reward for performance and dedication, and to demonstrate a clear path for progression. Over the years many employees have been promoted to senior positions in the Company.

Ongoing training and personal development are key strategies in our HR principles and the Company communicates to our employees via internal group-wide emails, presentations, and newsletters. Two way communication is encouraged in areas such as Sales through Regional and Depot Managers meetings and in other areas once or twice a year through Town Hall meetings.

The Company's social media channels are also developing to enhance communication.

The interests of our customers and suppliers

The Company has always believed in keeping good business relationships with customers and suppliers and is key to ongoing success. The Directors have developed close relationships with key customers and suppliers to ensure that we fully understand each other's strategies and objectives and are able to support each other in achieving them. More recently closer relationships with key suppliers has resulted in improved efficiencies within the supply chain and better stock availability for our customers. A recent example of working closely with our key suppliers is the Covid-19 situation, where the business was able to ensure continuation of supply from our key suppliers, despite of impacts of the lockdown, reduced credit insurance limits, etc.

The impact of the Company's operations on the community and environment

Our overriding objective is to have minimal impact on the local communities and environment on all of our projects.

The Company has a well- developed Environmental and Sustainability Policy with stringent targets, and is committed to protecting the environment. We acknowledge that the pursuit of economic growth and respect for the environment must be closely linked, with sustainable development being an integral part of our business philosophy and processes.

We work on the basis that compliance with environmental legislation, and other requirements, is the very minimum that will apply to our activities and services and we are committed to continual environmental performance improvement, the prevention of pollution and having a positive impact on the environment.

We work closely with our clients and suppliers, encouraging and educating our employees and supply chain to recognise their responsibilities regarding protecting the environment and achieving our environmental objectives and targets and communicating and consulting with all stakeholders as appropriate.

Our policy is periodically reviewed to ensure its continuing suitability, has been communicated to all staff and is made available to interested parties. It is endorsed by the Company's Directors and Management Team who take responsibility for the delivery of its aspirations and key objectives.

The Company's high standards in the way we run our business and deal with all stakeholders, and our commitment to being the best have been key to our ongoing success.

Key to this is the experience and ongoing professionalism and commitment of our employees and we continually strive to make our Company a place where all enjoy their work and have the opportunity to progress.

We have a policy of promoting continual improvement and the setting of quality objectives and improvement programmes within the Company.

These objectives address the risks and opportunities within the Company, as determined by senior management, and we believe that quality is critical to the success of our business, and base our approach on the key quality principles of customer focus, leadership, engagement of people, process approach, improvement and relationship management.

The Interests of members of the Company

Strategy and decisions by the Board are carefully considered in both the short and long term, the Directors are fully aware of the need to review all relevant factors to strike a fair balance between key stakeholders of the Company. Our key stakeholders would include: investor community, employees, regulators and government, local communities, customers and suppliers.

The overriding objective is to ensure that the Company maintains its reputation for quality and integrity so as to continue as a successful and sustainable business for the long-term benefit of the stakeholders.

Naohiro Takemoto

Chief Integration Officer, Member of the Board

Barclay & Mathieson Limited