

Statement by the Directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006 in respect of PD Ports Limited and its qualifying subsidiaries

The Directors are fully aware of their responsibilities to promote the success of the Company for the benefit of its members in accordance with s172 of the Companies Act 2006 and have acted in accordance with these responsibilities during the year.

The following disclosures describe how the Board of Directors have had regard to the matters set out in section 172(1) (a-f) in respect of the Group's stakeholders and forms the Directors' Statement required under Section 414CZA of the Companies Act 2006.

Matters set out in section 172(1) (a-f)

The Board is responsible for overseeing the performance of the Group's business and for making the major decisions relating to matters of both strategic and tactical importance to the furtherance of Group's activities. It meets four times a year, and the agenda for the meetings includes the following items at a minimum: Health & Safety and compliance matters, approvals for capital expenditure, review of key projects and commercial initiatives and financial update. The Group's monthly and quarterly results are reviewed by board members on conference calls and the annual business planning process is undertaken with engagement from board members, culminating in the approval of the Business Plan by the full board at its last meeting of the year.

As an infrastructure business, the Group considers very carefully the likely consequences of any major decision it makes in the long term, with the overall objective of generating and preserving value. The Board therefore reviews capital projects in a comprehensive manner, considering the rationale for investment in the context of the long-term cash flows anticipated to be generated by the project, the likely impact upon the Group's relationships with its customers and employees, and the risk profiles of the relevant market, customers and suppliers. The impact that the investment would have on the Group's existing infrastructure assets is also a key consideration.

Safety is the first of PD Ports' core values and is always the first agenda item on all Board and management team meetings. The Board review all lost time accidents and dangerous occurrences, with the objective of understanding the root causes, as part of the Group-wide focus on the ensuring the safety and wellbeing of all of our employees in the workplace. The executive Directors and other members of the executive management team undertake regular health and safety inspections in all areas of the Group's business, in which they engage directly with employees at all levels. In addition, there are a network of Safety, Environmental and Wellbeing Champions across the business, which have direct access to the management and executive teams to raise and discuss relevant concerns and areas for ongoing improvement initiatives.

The Group works closely with its customers and suppliers in a number of different areas. The nature of its role as the Statutory Harbour Authority for the port of Tees & Hartlepool means that it has regular interaction with the port users, both as a collective body and as individual businesses, as well as with other local bodies such as the Tees Valley Combined Authority. The Board are supportive of a wide range of initiatives which enhance the economic prospects of the Tees Valley, on the basis that these are complementary to the long-term interests of the Group.

The Board are aware that they set the tone for the overall control environment across the whole Group. They therefore monitor the Anti-Bribery and Corruption and Code of Conduct policies which are in place, and which are designed to ensure that the Group maintains the highest standards of conduct in its business dealings with all stakeholders, and internally within the Group. This is disseminated across all employees through training programmes which are undertaken annually and is embedded in our policies for dealing with customers and suppliers. The Group has a whistleblower hotline, to facilitate any employee raising concerns on any matter directly to the Board, who investigate and resolve all such issues on a timely basis.

Employee engagement

The Group recognises its responsibilities towards keeping employees informed of matters affecting them as employees and the economic factors affecting the performance of the Group. To this end, consultations take place at appropriate times with employees' representatives and trade unions, and regular communications, including newsletters, are circulated to all employees.

The Group recognises its obligations towards disabled people and endeavours to provide employment where possible, having regard to the physical demands of the Group's operations and the abilities of the disabled persons. Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of a member of staff becoming disabled, every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.