

MTS (Holdings) Limited

Section 172(1) statement for the financial year ended 31 December 2022

In making this statement it should be noted that the company acts as a holding company for operational companies. Therefore references to 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 they consider, 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, 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 impacts, both for the company and the wider economy. For example, supporting the aim to maintain excellent services levels for short sea customers and being creative operationally to use all areas within the port to serve the changing demands of customers;

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

The directors appreciate that each employee contributes to the success of the company. The company has introduced the Diversity & Inclusion Plan including a range of initiatives and targets focusing on increasing the diversity of the workforce as well as developing an inclusive culture. Regular dialogue and consultations take place with employees on a variety of matters of interest;

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. Significant decisions, such as decisions around berth dredging and developing additional acreage take into consideration customer requirements. The company engages widely with suppliers both when tendering for services and during the life cycle of contracts. Additionally, the company 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 directors acknowledge the corporate social responsibilities of the company. The HPUK Sustainability Committee was created to help deliver a sustainable business model, through delivery of sustainability projects and initiatives, aligning with the Hutchison Port Holdings Limited Sustainability Committee to help cascade key policies and approaches across the global network;

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

The company promotes the highest moral and ethical standards in its business. Underpinning this is a strong system of governance and sound internal controls. The group's Code of Conduct (the "Code") is published to set standards and promote honest and moral conduct including: the ethical handling of conflicts of interest; transparent disclosure; compliance with applicable laws, rules and codes; prompt reporting of any violations; and accountability for adherence to the Code; 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 shareholders 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, of representative bodies of local communities, and industry trade associations. 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 aim to make sure that decisions are consistent, predictable and fair.

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.