



Howco Group plc

Section 172 Statement – March 2020

As Directors of the Company, we continue to be mindful of our statutory duty to promote the success of the Company for the benefit of the members as a whole. In doing so, we have regard, amongst other matters, to those factors set out in section 172 (1) (a) to (f) of the Companies Act 2006. Collectively, the Board recognises that having regard to these factors and stakeholder groups in decision-making contributes to the success of the Company. Depending on the matter at hand, the relevance of different stakeholder interests and other factors will vary. The Board may face making decisions based on competing stakeholder priorities and therefore, it may not always be possible to provide a favourable outcome for all stakeholders.

On appointment to the Board, the Directors are briefed on the Directors' statutory duties and are provided with various opportunities to meet key stakeholders. Ahead of all Board meetings, the Directors are supplied with papers which highlight the relevant stakeholder considerations for each of the agenda items. The Directors are in regular contact with their management teams which facilitates good communication and feedback at a local level.

The Company's key stakeholders are our employees, customers and suppliers. The Company has the following framework in place to ensure the Directors have regard to key stakeholders and matters set out in section 172 (1) of the Companies Act 2006 in their decision making.

The likely consequences of any decision in the long term

The long-term strategy of the Company is monitored to ensure that this aligns with the vision of the Group as a whole. Future areas of growth and change are considered in decision-making discussions. Input is sought from specialists within the Company where relevant. Both external and Group advisers are also called upon for their input when required in order to ensure the future environment under which the Company may operate under is fully explored. The resulting assessment of future development informs the Board's decision-making and the balance between short and long-term actions.

The interests of the Company's employees

The Board promotes engagement with its workforce. The Directors are in regular contact with their management teams who they entrust with engagement of their wider teams. There is open communication with management throughout the Company. There are regular team meetings and toolbox talks on site which keep employees fully informed and engaged on Company developments.

The need to foster the Company's business relationships with suppliers, customers and others

The Company works closely with suppliers to ensure that our values on quality, safety and modern slavery are upheld throughout the supply chain. Value-added communications are facilitated in areas such as future growth and potential for the supply chain, to ensure that expectations are set and understood from the front line through to the management team and the Directors.

The Company has well-established customer engagement processes across Europe. These processes ensure that the perspectives of all customers are considered. Considerations include adaptation to industry change, regular communications with customers and providing excellent customer service.

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

The Directors are conscious of considering initiatives to reduce the impact of the Company's operations on the environment. As outlined in our Streamlined Energy and Carbon Reporting, the Company has invested in LED lighting, electric fork and pallet trucks and solar panels at specific sites during the year and will continue to make in-roads to reduce its environmental impact as far as possible.

The desirability of the Company to maintain a reputation for high standards of business conduct

The Company drives high standards of business conduct through the policies and procedures in place globally. The Board periodically reviews and approves clear frameworks, such as the Howco Global Code of Conduct, Howco Anti-Slavery and Human Trafficking Statement and Howco Modern Slavery Statement to ensure that high standards are maintained both within the Company and business relationships.

The need to act fairly between members of the Company

Following consideration of all relevant factors, the Directors consider which course of action best prepares the Company to deliver in the long-term, taking into consideration the impact on stakeholders. In doing so, the Directors act as fairly as possible across the Company's stakeholder groups. The Directors will continue to review engagement methods to ensure they remain effective.