

FORTH PORTS LIMITED

Stakeholder Engagement and Section 172 Statement

The Board is aware of its responsibilities to promote the success of the Company in accordance with section 172 of the Companies Act 2006 and, in describing the relationships between Forth Ports and its key stakeholder groups, the Board has taken into consideration the Financial Reporting Council guidance on this matter. By focussing on our purpose and values along with our strategic priorities, we consider our employees, customers, suppliers, local communities and other stakeholders whilst delivering long-term sustainable growth for our investors. The Group's main stakeholders, their expectations and how the Board responds to them are explained as follows:

Stakeholder expectations	How the Board responds
Employees	
Forth Ports employs over 1,000 people directly. The majority of the workforce are on the quayside loading and unloading vessels or directly supporting these teams, handling a diverse range of cargoes for our many customers. Our employees are key to the success of the business.	
<ul style="list-style-type: none"> • Safe working conditions • Fair terms and conditions • Job security • Regular and transparent communication 	<ul style="list-style-type: none"> • Adaptation of working practices where necessary and regular communication with all employees with specific support for vulnerable employees to protect them; • Signatory to the Maritime Mental Health Pledge; • Continuous improvement of health and safety practices including the 'Visible Felt Leadership' initiative, with greater use of technology to keep reviews and initiatives progressing despite the changes to working practices; • 'Stand Down for Safety' – a dedicated safety event for the entire workforce hosted by the Chief Operating Officer demonstrating the commitment to the highest standards of safety; • Consideration of the impact of decisions on employees with views of employees and wider workforce considered – these are obtained via company-wide communications, CEO briefings and local port/asset employee meetings; • In 2022 the Group recognised the pressure placed on its workforce as a result of the cost of living crisis and awarded employees a one-off payment; • Publication of our Gender Pay Gap Report for 2022; • Range of development opportunities available including Apprenticeship and Graduate programmes, as well as dedicated training centres at Tilbury (including simulators) and Grangemouth, with a shift to more online training; • A number of charitable and community projects.
Customers	
Forth Ports supports over 500 domestic and international customers that are linked existentially to the growth and the success of each of its ports.	
<ul style="list-style-type: none"> • Trusted long-term partnerships • High and consistent levels of operational efficiency • Flexibility 	<ul style="list-style-type: none"> • In 2022, developing a new customs processing service to help customers keep goods moving; • Regular contact with customers following the grain silo incident to ensure continuity of service; • Alignment of our business with customer needs, such as investment at Tilbury2, warehousing at Grangemouth and renewable energy investment at Dundee and Leith; • Customer meetings, events and attendance at key industry conferences; • Service level agreements are monitored and customer feedback taken into consideration when developing new facilities (such as the new CMAT at Tilbury2) and service offerings (e.g. Track Your Container online); • Deepened and broadened our knowledge/expertise of our key markets through targeted analysis; • Strategic acquisitions of Targe Towing in 2021 and OM HeavyLift in 2022 to enhance the breadth of our service offering to better serve our customers' needs.
Suppliers and Contractors	
A wide range of suppliers, contractors and advisors supporting our operational and investment plans.	
<ul style="list-style-type: none"> • Trusted long-term partnerships • Fair terms and conditions • Prompt payment 	<ul style="list-style-type: none"> • Timely payment to suppliers; • Supplier performance management involving dedicated procurement teams focused on developing and managing supplier relationships, including regular account review meetings and maintained controls, systems and processes in place to ensure suppliers are supported; • Chartered Institute of Procurement and Supply certification; • Modern Slavery – details of our policies to combat modern slavery are detailed in our 2022 Modern Slavery Statement which can be found on our website www.forthports.co.uk.
Communities and other stakeholders	
Encompassing our neighbours in the communities where our ports are to local, national and UK wide private and public bodies.	
<ul style="list-style-type: none"> • Jobs and investment • Compliance with regulation and legislation • Good neighbours, operating safely • Actively help and support local communities • Protection of the environment and heritage 	<ul style="list-style-type: none"> • Thames Freeport Development – job creation; green investment and levelling up; • Early and transparent consultation with local communities as part of significant developments such as Tilbury2, Dundee and Leith Outer Berth for offshore renewables; • Charitable and community projects including Leith Community Trust, Tilbury on the Thames Trust, Port open days, career events and annual celebrations such as Windrush Day. In 2022 we were also delighted that Tilbury Cruise Terminal was selected to take part in the Queen's baton relay; • Successful Forth Green Freeport bid for Firth of Forth; • GRESB submission (Global ESG Benchmark), delivering improved score.

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Stakeholder Engagement and Section 172 Statement (continued)

	How the Board responds
Shareholders The owners of the business who are a number of UK and international pension funds.	
<ul style="list-style-type: none"> • Clear strategy and strong execution • Financial discipline • Sustainable growth and regular returns to match pension liabilities our shareholders are managing • Protection of Group's reputation 	<ul style="list-style-type: none"> • Board decisions are made with the long-term success of the Group in mind; • Active and ongoing dialogue with shareholder representatives who sit on the Board; • Regular board meetings including review of key operational, commercial and financial matters as well as specific meetings to review Five Year Strategic Plan and Budget; • Consideration of ESG matters including focus on green credentials.

During the year the Board was involved in making various key strategic decisions impacting a number of stakeholders. The table below sets out certain key decisions taken in 2022, and how their impact on stakeholders was considered.

Key decision	Strategic planning in relation to ensuring the most effective use of land within the port estate; including land acquisition / development and maximising the financial return on the existing port estate. The Board progressed a number of initiatives in this regard including the option to acquire additional land adjacent to Tilbury2, progressing the land purchase at Tilbury3, master planning of land across the port estate particularly those areas with Freeport designation and detailed planning and capital investment to ensure new customers can be accommodated alongside servicing existing customer requirements.
Objective	Secure long term growth through maximising the earning potential of the Port's land, maintaining existing customer relationships, accommodating new customers and moving into new markets.
Stakeholder considerations	<p>Employees Taking on new customers and additional port facilities provides certainty of employment for existing employees, a requirement to develop new skills and requires the recruitment of additional staff to fulfil additional business.</p> <p>Customers Finding solutions for new and existing customers is key to fostering long term relationships, maintaining our reputation and securing the long term success of the business.</p> <p>Shareholders These decisions which resulted in the need to meet customer requirements and expand the footprint and breadth of service offering at the port, including investing capital and making modifications to the port facilities to enter a new market, aligns with the goal of providing a stable platform for growth and delivering long term operational and financial success.</p>

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Stakeholder Engagement and Section 172 Statement (continued)

Key decision	Acquisition of O M Holdings Group.
Objective	Increase our breadth of service offering for our customers and provide a full-service package for offshore renewables projects covering marine services, quayside infrastructure and land and now heavy lift plant and logistics solutions.
Stakeholder considerations	<p>Employees The aim is to grow the service offering through capital investment in additional equipment and develop a team focused on promoting and delivering this service to customers. This will require the skills and knowledge of existing employees alongside some external staff hires.</p> <p>Customers Ensuring we can meet the business needs of our customers is key to fostering long term relationships, maintaining our reputation and securing the long term success of the business.</p> <p>Shareholders The decision to expand the service offering and invest in new capital equipment aligns with the goal of providing a stable platform for growth and delivering long term operational and financial success.</p>

Key decision	To redevelop a significant area of land within the port of Leith to expand our reach in the offshore wind market by investing in a renewables hub comprising a new outer berth and extensive marshalling area.
Objective	Secure long term growth through investment in a growth market which is in close proximity to our ports on the Scottish east coast.
Stakeholder considerations	<p>Employees Major investment in the port of Leith will provide security of employment for existing staff with the aim of recruiting additional staff as the service offering grows.</p> <p>Customers An agreement has been signed with bp and EnBW which will see the port as the marshalling site for the 2.9GW Morven offshore wind project.</p> <p>Community The aim is to create a renewables hub in Leith that has the potential to attract manufacturing businesses to the area which have been absent for decades. This will create highly skilled jobs which aligns closely with the objectives of the Forth Green Freeport.</p> <p>Shareholders This decision is aimed at future proofing the business and aligns with the goal of providing a stable platform for growth and delivering long term operational and financial success.</p>