

FIRST CORPORATE SHIPPING LIMITED
(Trading as The Bristol Port Company)

SECTION 172 STATEMENT
For the year ended 30 June 2021

Stakeholders

The company is the only member of the group which is active, hence this s172 statement has been prepared from the company's perspective. The company's key stakeholders are its shareholders, employees, customers, suppliers, the local community, local and national government and the environment. When making decisions, particularly of a strategic nature, the directors have regard to the likely long-term impact on the company's stakeholders. Five of the directors are involved in the day-to-day operation of the business and it is through these directors that the Board as a whole, including the non-executive directors, implements its strategic decisions. Engagement with the different stakeholders varies:

a) Shareholders

Each shareholder has representation on the Board to ensure they are involved with strategic decision making.

b) Employees

The directors recognise that the safety and wellbeing of employees are fundamental to the success of the business. The company takes its safety responsibilities extremely seriously and strives to operate safe working practices in accordance with endorsed HSE and Port Skills and Safety guidance in order to eliminate accidents. The company safety ethos is to embed a challenge culture so all employees are actively encouraged to challenge any activity they feel is unsafe and report it immediately with no fear of recrimination.

Constant and consistent engagement with the workforce is critical and the company endeavours to deliver the safety message in different and stimulating ways in order to avoid complacency. Communication, engagement and feedback is achieved through safety campaigns, the company intranet, PortALL, regular newsletters, departmental briefings and formal Works Council meetings.

The company operates in a potentially hazardous industry, the main risks of which relate to people involved in the loading and discharging of cargoes and the associated man/machine interface. The company is committed to continuous improvement in health and safety through control of risk which includes unannounced audits of health and safety by the dedicated Health and Safety Department and every executive director is required to conduct a monthly Workplace Safety Inspection. The company maintains a safety system which provides consistent preparation and authorisation of both formal and dynamic Risk Assessments and Permits to Work throughout the port.

The company continues to resource rapid medical access and advice, for all employees, to a specialist occupational health provider that has permanent facilities in the port. Physiotherapy and Mental Health support is also available for all employees along with an on-site gym.

The company endeavours to pay its employees a fair salary and a generous pension – employees who joined prior to 2000 continue to accrue benefits in the company's defined benefit pension scheme and those who joined after 2000 are offered an 8% employer's contribution into the defined contribution pension scheme. The company also operates a profit-related pay scheme for all employees. Details of the number of employees and related costs can be found in note 7 to the financial statements.

c) Customers

The company has a variety of customers; for example, ship owners and agents, cargo owners, technical service providers and tenants. The company's Commercial Team ensures regular dialogue with customers is maintained and endeavours to ensure all customers' needs and concerns are met. The company operates an ISO9001-certified quality management system to ensure the highest standards are maintained and specifically any customer complaints are dealt with in a timely, appropriate and fair manner.

d) Suppliers

Key to assisting the employees to deliver a quality service to the customers are the company's suppliers. Suppliers and contractors are vetted and regularly reviewed to ensure this quality is maintained. Where possible, the company works with local and small businesses in the port community. Engagement with suppliers is primarily managed by the staff responsible for the particular service or project. However, the company's purchasing department and/or management also engage with key suppliers or where there is an issue of significance. The company endeavours to pay its suppliers in a reasonable and equitable timeframe and ensures any disputed invoices are resolved swiftly.

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e) Local community

The directors fully appreciate the importance of an open and transparent relationship with its neighbours and local community. The directors endeavour to maintain communications with communities via local residents' associations, meetings and updates and actively encourage port tenants to follow this lead. Tours of the port are given to many different groups and to individuals. The company actively participates in the annual "Bristol Open Doors" weekend, with guided tours of the port being given to over 200 visitors. The company supports as many local causes as it can, mainly via its relationship and annual donation to the Quartet Community Foundation, supplemented with more direct donations or employees' time, including an annual community project by port apprentices.

f) Local and national government

As one of the UK's largest ports and the largest in the South-West, engagement with local and national government is important for the company. Either directly, or through the UK Major Ports' Group or the Port Skills and Safety forums, the directors maintain dialogue with both national government and local councils. The company also engages through (and is represented by the CEO on) the Western Gateway, the West of England Combined Authority (WECA) and the Local Enterprise Partnership (LEP). Relationships with local MPs and councillors, one of whom is a director, also helps the company with its engagement with the local community.

g) Environment

The company, as a Statutory Harbour Authority, exercises its functions with regard to nature, conservation and other related environmental considerations (Section 48A Harbours Act 1964), including its role as a relevant authority under the Habitats Regulations 1994 and Countryside and Rights of Way Act 2000. The group manages its operations and projects in a sustainable manner and in doing so maintains an appropriate balance between meeting its commercial requirement for economic growth and its environmental responsibilities. The company is currently contributing to the Department for Transport (DfT) Clean Air Strategy and also operates an ISO14001-certified environmental management system.

Key decisions in the year and long-term consequences

The company's business and shareholder structure mean that the company's governance can be managed by the Board alone without the need for any sub-committees. The key decisions made by the Board during the year were:

- **Coronavirus:**
 - Continued assessment of the safety of employees to work versus the wider requirement of the national and local government and communities for ports to continue to operate.
 - Working with customers to minimise the impact on operations and their businesses.
 - Ensuring as many capital and maintenance projects continued so that engagement of suppliers continued, including maintaining the timeliness of payments to suppliers.
 - Not taking advantage of any tax-deferral schemes offered by HMRC.
- **Safety:** The company, in consultation with a group of employee representatives, designed and delivered a high impact safety campaign to reinforce the dangers of complacency and corner cutting and the importance of concentration. This campaign was delivered using various media and various locations across the port.
- **Investment:** The company has invested £17.2m in capital projects in order to support demand from existing and new customers. These have included new sheds, site surfacing and new equipment.
- **Environment:** The company has accelerated its upgrade and conversion to the much more efficient LED lighting. Concurrently, a rationalisation plan has taken place to reduce total fleet holdings with the default setting being electric for new white fleet vehicles and smaller forklift trucks. The company is currently investigating installing solar panels on its newer sheds and an offset programme is also being considered. Employee commitment to environmental issues has continued to be encouraged. For example, 32 individuals have signed up the company's Cycle to Work scheme.
- **Communities:** Providing mentors for the KeysforLife charity that assists ex-offenders in finding permanent employment.

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- Border Control Post: As part of a national programme sponsored by the Cabinet Office, the company was required to build rapidly a Border Control Post to be operational by 1 July 2021 to comply with post-Brexit mandatory import checks. The Government initially advised that it would fund 100% of this project, but subsequently reduced this by 33%, necessitating the company to contribute £850,000, with the resultant impacts on cash flow and profitability. Despite numerous procurement challenges and changes in the initial requirement, this facility was completed on time and within budget.

Key decisions in the year and long-term consequences (continued)

The Board believes all these decisions will have positive long-term consequences. The continued Coronavirus decisions to protect and assist employees, customers and others, along with the ongoing safety message, will strengthen its business in the long-term. Coupled with this, the continued investment in assets will allow the company to sustain and enhance service levels to existing and new customers. The continued engagement with environmental and community matters ensures the company remains sympathetic with those stakeholders, which will benefit the company and its stakeholders in the long-term. Despite having to part-fund a government facility, ensuring the port has a modern Border Control Post will ensure it is well positioned to take advantage of post-Brexit opportunities.

24 September 2021