

## **S172 Statement – Logisnext UK Limited FY21**

The Directors have prepared and provide this section 172 statement in accordance with the Companies Act 2006 (as amended by the Companies (Miscellaneous Reporting) Regulations 2018). The statement outlines the ways in which the Directors have taken into consideration the matters set out in section 172 whilst undertaking their duties and making decisions on behalf of, and in the interest of the Company. The statement focuses on principal decisions made within the financial year (01 April 2021 – 31 March 2022), and the considerations made within the decision-making process in terms of the needs of different stakeholder groups, as well as the long-term consequences of decision and their contribution to promoting the ongoing success of the Company.

The Board delegates responsibility for day-to-day management to the senior management team. The senior management team continues to meet weekly to discuss operational issues and monthly with a strategic focus. Monthly management team meetings also take place with departmental managers within the business. All locally made decisions are made in accordance with the Company's Articles of Association and are communicated with The Board and the parent company's senior management team for review and oversight, and to ensure locally made decision are made in line with the group strategic direction. Monthly and quarterly meetings take place between the local senior management team and the group senior management team to support long-term decision making within the group. These are supported by the regular provision of local financial results, KPIs and forecasting data.

The increase in external financial audits implemented in the April 2019 to March 2020 financial year, from annual year-end audits to include quarterly audit reviews, will continue to operate in line with the larger Mitsubishi Heavy Industry group. This will provide increased transparency and reliability that the financial accounts provide a true and fair reflection of the subsidiary company's position.

The Company considers the health and safety of our employees to be a business priority. The company maintains a positive workplace environment, conducive to long-term employee retention and development, along with a high level of technical expertise within the industry. Managers are encouraged to foster strong, open relationships with their teams, allowing for a positive flow of communications in both directions. Employees are requested to take part in regular employee surveys to assist the group in gathering both positive and negative feedback from employees regarding their working environment and culture, and also identify areas for improvement and development.

Throughout the financial year, the business response to Covid-19 has been continuously reviewed and revised as necessary in response to the most current available information and Government recommendations and regulation. The Senior Management Team, alongside Operational Management continue to monitor and review current guidelines, as well as partaking in ongoing discussions around the continued use of hybrid home-working and the balance between business objectives and operations, and the health and well-being of employees.

We have also worked closely with external stakeholders, including customers and suppliers, to ensure strict safety provisions are in place for external visitors to the office site, along with ensuring our employees have awareness and adhere to any restrictions introduced by our business partners.

## **External Stakeholders and the Environment**

The Company places a high degree of emphasis on the importance of developing and fostering positive relationships with our external stakeholders, including customers and suppliers. A substantial proportion of our supply chain is within the Mitsubishi Logisnext Europe group, where we work closely with our group colleagues to develop effective processes to ensure good communication of product requirements and lead times to meet the requirements of our customers. We implement, and consistently review internal processes for improvement, to ensure supplier invoicing is reviewed and authorised efficiently and payments are made within agreed external supplier terms.

Our products are bespoke and made to order for each customer. Our sales teams work closely with their customers, developing close working relationships and a deep understanding of our customers' business operations and requirements. This ensures that the correct materials handling products are identified, and specifications meet both the current and long-term needs of the customer. We aim to work in as flexible a manner as possible with customers, to ensure that the equipment and service we provide can adapt in line with the long-term development of their business needs.

The business, and the materials handling market as a whole, are increasingly moving towards the electrification of materials handling equipment and forklift trucks, in particular the use of lithium-ion batteries, with decreasing use of internal combustion engines as a power source. The business has historically focused on the electric vehicle market and has a focus on increasing use of developing technology that results in a lower environmental impact. Stricter government criteria and guidance is in place relating to emissions levels of equipment.

### Ethics & Compliance

As part of the larger Mitsubishi Heavy Industry group, the Board place great importance on the culture and ethical behaviour sponsored by the group, our ultimate parent company and their ultimate shareholders. Throughout an ongoing process of integration within the Mitsubishi Logisnext Europe group we have supported the integration of group policies, such as the Code of Conduct, and ensured that local policies and the employee handbook are regularly reviewed and updated to align with these. Training is provided to all employees around these topics, to ensure awareness and understanding of these topics, as well as knowledge of where to access further information. Corporate governance and internal control systems are regularly reviewed and developed, with this process underpinned by the group Internal Audit function. As a subsidiary of the Mitsubishi Heavy Industry group, Logisnext UK Limited undertakes annual reporting under JSOX requirements and through a process of continuous review and improvement ensures our policies and procedures remain compliance with the JSOX regulations.