



Barrett Steel Limited

Section 172 statement (for the year to 30 September 2021)

The revised UK Corporate Governance Code ('2018 Code') applies to accounting periods beginning on or after January 1, 2019. The Companies (Miscellaneous Reporting) Regulations 2018 ('2018 MRR') require Directors to explain how they considered the interests of key stakeholders and the broader matters set out in section 172(1) (a) to (f) of the Companies Act 2006 ('S172') when performing their duty to promote the success of the Company under S172. This includes considering the interest of other stakeholders which will have an impact on the long-term success of the company.

In response to the matters set out in section 172(1):

(a) the likely consequences of any decision in the long term

The Group is focussed on its General Steels, Engineering and Tubes divisions. The decision to exit the Houston business in the prior year is aligned to this. In the long term this will leave the Group less susceptible to fluctuations in Oil and Gas, require less working capital and allow the Group to focus its time, attention and resources on continuing operations.

Acquisitions and investment in capital equipment allow the Group to increase market share, purchasing power and remain at the forefront of processing capability. The Group set up a General Steels depot in Newbridge on the outskirts of Edinburgh which increased its presence in central Scotland. The Group also extended the handling and distribution agreement with Groveport at Scunthorpe in the year. Both of these investments fulfilled strategic targets.

(b) the interests of the company's employees

Our employees are fundamental and core to our business and delivery of our strategic aims. The success of our business therefore depends on attracting, retaining and motivating employees.

The Group operates an appraisal and goal setting system, has regular training and development programmes and promotes people annually to more senior positions. Communication is achieved through Group wide emails, internal notices, dissemination through site leads at monthly board meetings and an annual meeting with the Directors and site leads in attendance.

The Directors factor the implications of decisions on employees and the wider workforce, where relevant and feasible. This includes ensuring that we remain a responsible employer, deliver suitable pay and benefits, and are committed to our health, safety and workplace environment, as well as enabling employees to work from home where appropriate.

(c) the need to foster the company's business relationships with suppliers, customers, and others

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www.barrettsteel.com

Registered in England 2755663



Section 172 statement (continued)

Delivering our strategy requires strong mutually beneficial relationships with our suppliers and customers. These relationships have been developed over several years. The Group's success is dependent on the resilience of these relationships and the Board regularly monitors its supply chains and the financial viability of customers.

(d) the impact of the company's operations on the community and the environment

The Group is committed to achieving compliance where relevant. Our fleet replacement rolling programme brings the benefit of the latest Euro VI vehicles and will allow us to operate within low emission zones.

Decisions on site locations, shift patterns and investment and machinery all have consideration of the impact on the local community and environment.

The Group is committed to reducing its carbon footprint and is currently assessing its current levels and developing its Net Zero Roadmap and monitoring mechanisms.

(e) the desirability of the company maintaining a reputation for high standards of business conduct

The Group recognises its proud history as a 6th generation family business and its current position as the UK's largest independent steel stockholder. The reputation of the Group is therefore paramount and customer service is key to the success of the Group.

(f) the need to act fairly as between members of the company

The Board includes four members of the Barrett family who are all shareholders of, and collectively control, the Group. Three of these members hold Executive Director positions within the Group and have day to day responsibilities. On this basis the Board feels that the Executive Directors are fully aligned with shareholders.

The Board holds annual strategy days to discuss and agree the overall strategic aims together with actions required in the coming year. The Board then meets regularly throughout the year to discuss the results of the Group and the status of completion of strategic actions, approve annual budgets and agree on investment decisions.

The Board consider, both individually and collectively, that they have acted in a 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 in the decisions taken during the year ended 30 September 2021.

By order of the board

A handwritten signature in black ink, appearing to read 'J S Barrett', is written over a light blue horizontal line.

J S Barrett
Chairman
26 November 2021

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