



Statement by the Directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006

The Board of Directors of AMCO Investments Limited consider that they have acted in the 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 (having regard to the stakeholders and matters set out in s172(1)(a-f) of the Companies Act 2006) in the decisions taken during the year ended 31 December 2021.

Our People

People are a key factor for our business to succeed. We are proud of the average length of service of our employees. We intend to retain people for the long term and our recruitment strategy is based on offering long, sometimes lifetime, careers in fairly paid and stable jobs. In our UK operations, we avoid “zero hour contracts” and where possible we seek to recruit locally.

We encourage our employees to have both fulfilling careers and balanced lives.

As noted last year, the COVID-19 pandemic continued to impact our employees’ ways of working for the most part of 2021. In these circumstances it has been very important for our unit and departmental senior management, but also for the wider employee population, to continue engaging and checking in regularly with our colleagues who were, due to social-distancing restrictions, no longer working in a close-knit team environment.

There are many ways we engage with and listen to our people and we look to our employees to contribute ideas for our future growth, and share the rewards of the business where we are profitable, primarily through discretionary annual bonus schemes. We publish our annual reports on our intranet and corporate website and we actively encourage its review by all employees.

Business Relationships

We value long term relationships with our suppliers and customers and many of our relationships span years and some span decades. We spend considerable time with them to understand their needs and views and we use this knowledge to assist our decision-making. We employ robust “know your customer” and “know your supplier” due diligence processes across our operations, and we are typically cautious when entering into new relationships.

In 2021, Amalgamet (our physical metal trader), was awarded a “Fast Payer Award” by the Good Business Pays initiative in recognition of its supplier payment practices.

Community, Environment and Reputation

We believe that a positive and strong culture is the best way to ensure a high level of professional conduct when it comes to health and safety, environment, regulations or business dealings. Further details are available in our Business Standards Policy, which can be obtained from our website.

Our businesses and employees partner with local and national charities to raise awareness and funds for causes that matter to them and their communities. Further, in 2020 the Group established The AMC Financial Hardship Foundation (the “Foundation”). This is an exclusively charitable organisation which has been established with the objective of supporting the local communities of current and former employees, of Amalgamated Metal Corporation PLC and its associated companies, through the provision of grants.

We promote a culture of safety, particularly for the staff in our Industrial division who are working with the significant risks associated with hot metal and moving vehicles. Monthly meetings across units in our Industrial division always start with a review of that unit’s health and safety record and the message remains that the safety of our staff comes first.



While our actions shape the success of the Group, they also have an impact on the environment. We encourage strong and open relationships with environmental regulators wherever we operate. The Group's policy is to operate in a supply chain that is free from conflict minerals, modern slavery and human trafficking. Further details on these policies can be accessed on our website. The Financial Conduct Authority (FCA) regulates our AMT and AMTF businesses. We maintain positive and open relationships with our regulators based on cooperation and responsible behaviour, and we conduct regular compliance training for our regulated staff. The Board is regularly updated on health and safety, environmental, legal and regulatory developments and takes these into account when considering future actions.

Capital allocation and long-term decisions

Our Group comprises a number of businesses, all of which have extensive engagement with their own unique stakeholders as well as other businesses in the Group. The governance framework delegates authority for local decision-making at business unit level up to defined levels, which allows the individual businesses to take account of the needs of their own stakeholders in their decision-making. A consultative approach is encouraged so stakeholders' views are heard and considered when decisions are taken.

On an annual basis the Board reviews the financial budgets, resource plans and investment decisions for the Group. In making decisions concerning the business plan and future strategy, the Board has regard to a variety of matters including the interests of stakeholders, long term consequences of our capital allocation (such as expenditure needed to ensure our long term viability whilst maintaining adequate liquidity), the impact on the communities in which we operate, and our reputation. Key decisions on capital allocation and developments in the financial year are detailed below.

Our Trading Division recorded very good levels of profitability. With the exception of William Rowland, which remained impacted by a weak aerospace sector, all of our businesses recorded profits at good or satisfactory levels. Notably AMT recorded its best year, as it continued to enjoy demand for hedging services from industry participants that looked to protect themselves from volatile markets and it became one of the first offshore brokers to trade in the Chinese INE copper contract. Our physical trading units Amalgamet and Sansing navigated challenging logistics and pricing conditions very well throughout to deliver reliably for both customers and suppliers and were rewarded for the same.

For our Industrial Division, government mandated lockdowns temporarily reduced our production capacity in Australia and New Zealand. High energy costs and the isolation of COVID-19 symptomatic individuals also contributed to a reduction in efficiencies and higher costs. Despite this, the overall division result was good, improving on the prior year. CA Group and Keeling & Walker recorded very good results. With the exception of Milver, which recorded a modest loss as it encountered high energy costs and a weak UK automotive sector, the industrial businesses performed at satisfactory levels.

As our business faced high metal prices and increased levels of activity, our working capital requirements increased and the Group recorded a cash outflow. We ended the year with a net debt position of £61.8m (2020: £15.1m net debt). Our strong balance sheet and access to liquidity through substantial undrawn facilities, together with excellent support from our core banks, gave us the agility to react to the right opportunities as they arose and provide us with the scope to continue growing in the future. In 2021 we invested £3.9m in capital expenditure (2020: £6.6m). Productivity and energy efficiency focused projects were undertaken at Thaisarco, Milver and William Rowland.



AMCO INVESTMENTS LIMITED

55 Bishopsgate, London EC2N 3AH
Tel: 020 7626 4521

We continue to make targeted investments to provide the base for future organic growth, decarbonise and sustain our future in competitive markets.

With metal prices and volumes recovering strongly during the year, and in some cases reaching historical highs, our subsidiaries are focused on financial and contractual risk management, pricing terms, efficiencies and return on capital employed – making sure we allocate capital to the most promising and important opportunities.

Decisions on the level of dividend take into account the general profitability, liquidity and funding needs of the Group and Company.