

Recycling Lives Holdings Limited

Group Strategic Report (continued) For the Year Ended 28 February 2021

Principal risks and uncertainties (continued)

Liquidity risk

The Group seeks to mitigate liquidity risk by closely managing cash flows and monitoring strong weekly KPIs.

After a thorough review of the future operations of the business and commercial and financial impacts of COVID-19 the financial statements have been prepared on a going concern basis. The Directors' assessment of the Company as a going concern is disclosed within the accounting policies.

Future developments

During the coming year the Group will further invest in its people, sites and infrastructure while continuing to create significant social value through its associated social programmes.

Directors' statement of compliance with duty to promote the success of the Group

In accordance with Section 172 of the Companies Act 2006 (S172) the Directors, collectively and individually, confirm that during the year ended 28 February 2021, they have acted in good faith and have upheld their 'duty to promote the success of the company' to the benefit of its members, with consideration for its wider stakeholders. Section 172 describes a diverse range of stakeholders whose interests are said to feature in the 'success of the Company'; comments on each of these areas are provided below:

As a Group with a leading technology position in the recycling industry, we are acutely aware of the potential impact that our decisions may have on certain stakeholders, including our employees, customers and suppliers, as well as our Shareholders. Our customers gain from more than just environmental and financial benefits from our scrap metal recycling and waste management services. We help our partners to comply with Social Value Act 2012 requirements and support their good business ethics, by delivering reportable social value, that is both qualitative and quantitative. We are increasing recycling rates, reducing CO2 emissions and diverting waste from landfill by continually investing in machinery and infrastructure to refine our recycling processes, thereby supporting our ambition of delivering growth and return for Shareholders.

How we foster relationships with suppliers, customers and others

Recycling Lives has established long-term, trusted relationships with suppliers and customers alike; sharing our expertise and experience alongside excellent service and competitive pricing and/or rebates. In particular, we strongly support British manufacturing, working closely with our customers in this sector to deliver services that support their efficiency and environmental commitments and 'just in time' tactics. By sourcing scrap directly from industry and demolition sources we have developed a reputation for the production of consistently high-quality metals and materials for export and reuse.

Impact of operations on the community and the environment

Recycling Lives conducts its operations in accordance with the strict standards of ISO 14001 for Environmental Management. The core of our operations - recycling metals - create environmental value by ensuring valuable resources and commodities remain in use.

As part of the Recycling Lives family, the Group's operations intrinsically support the work of Recycling Lives Charity (charity no: 1116562), which delivers programmes to rehabilitate offenders, support the homeless and redistribute food to communities; allowing us to support the delivery of life-changing charitable programmes and creation of social value.