

CORPORATE GOVERNANCE

(The information contained in this document was last reviewed on 28 June 2023)

In this document, unless the context otherwise requires:

- reference to **Young's**, the **company** or **we** is to Young & Co.'s Brewery, P.L.C. (and reference to **our** and **us** is to be construed accordingly); and
- reference to the **group** is to the group of companies of which Young's is the parent company.

Introduction

On 4 July 2018, the board of Young's decided to apply The QCA Corporate Governance Code (2018 edition) (the **QCA Code**). The choice of code to adopt was important to us. We wanted to be sure that we would proactively embrace whatever code we opted for and not end up with a code that could stifle us and result, on a comply or explain basis, with us describing why certain requirements were not appropriate. We believe that the QCA Code provides us with the right governance framework: a flexible but rigorous outcome-oriented environment in which we can continue to develop our governance model to support our business.

Corporate governance principles applicable to Young's

As a result of deciding to apply the QCA Code, the corporate governance principles that apply to us are those contained in the QCA Code. These are:

Corporate governance principles

Deliver growth

1. Establish a strategy and business model which promote long-term value for shareholders
2. Seek to understand and meet shareholder needs and expectations
3. Take into account wider stakeholder and social responsibilities and their implications for long-term success
4. Embed effective risk management, considering both opportunities and threats, throughout the organisation

Maintain a dynamic management framework

5. Maintain the board as a well-functioning, balanced team led by the chair
6. Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities
7. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement
8. Promote a corporate culture that is based on ethical values and behaviours
9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the board

Build trust

10. Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

Application of the QCA Code and required disclosures in our annual report and/or on our website

In order to claim that the QCA Code has been adopted, we have to apply the principles set out above and also publish certain related disclosures; these can appear in our annual report, be included on our website or we can adopt a combination of the two approaches. An index setting out where each required disclosure can be found appears at the end of this document. In addition, the correct application of the QCA Code requires the chairman of our board to provide a corporate governance statement which:

- clearly articulates the chairman's role and demonstrates his responsibility for corporate governance;
- explains, at a high level, how the QCA Code is applied by us and how its application supports our medium to long-term success;
- explains, in a clear and well-reasoned way, any areas in which our governance structures and practices differ from the expectations set by the QCA Code; and
- identifies any key governance related matters that have occurred during the year, including any significant changes in governance arrangements.

This statement appears on pages 56-57 of our 2023 annual report and is repeated below.

Chairman's corporate governance statement

“As a board we want to drive growth and deliver long-term sustainable value for all our stakeholders. In all our decision-making, we aim to do the right thing, in the right way, at the right time. This approach and culture are underpinned by our corporate governance model which seeks to ensure that good governance standards are welcomed and adopted throughout our business at all times.”

On behalf of the board, it gives me great pleasure to introduce this year's corporate governance report.

As a board, we are stewards of the company. It is our responsibility to ensure that the company's strategy is aligned with the interests of our investors and takes account of the interests of all our stakeholders. As individuals, we believe that effective corporate governance is based on honesty, integrity, and transparency, and can only be fully realised within an environment of open, robust, and effective debate. This is the board culture we foster at Young's, and it is my responsibility as chairman to ensure that we continue to live this culture and promote it within our business.

The company applied the Quoted Company Alliance Corporate Governance Code ('QCA Code') throughout the period. It provides the right governance framework for us: a flexible but rigorous outcome-oriented environment in which we can continue to develop, as needed, our governance model to support our business. I am pleased to report again that the ten broad principles around which the QCA Code has been constructed are effectively embedded in our governance model, our ways of working and our behaviours.

The board continues to evolve and there have been a number of changes during the year. In July, Patrick Dardis stepped down as chief executive, and he was succeeded by Simon Dodd, who was recruited in 2019 with succession in mind. Mark Loughborough joined the board as retail director in September 2022. Mark has spent 11 years with Young's in a number of senior roles, and it gave me great pleasure to recommend him as an internal candidate for promotion to the board as an executive director.

We conducted an external search for a further non-executive director during the year, and in March 2023 Sarah Sergeant joined the board as an independent non-executive director. Further information on the search process can be found on page 67. This appointment further strengthened the independence and diversity of the board.

I can also report that in January this year, the board agreed to extend the terms of office for both me and Nick Miller through to April 2026. In deciding to do this, the board determined that we made an effective and valuable contribution to the board, demonstrated commitment to our roles (in my case, as non-executive chairman, and, in Nick's case, as senior independent non-executive director, chair of the remuneration committee and as a member of the audit committee), and were able to give sufficient time to Young's.

During the year, an external board evaluation was undertaken for the first time. The evaluation was facilitated by Lintstock Limited. The feedback from the evaluation confirmed that the board and each of its committees continue to operate effectively, and that each director continues to make an effective contribution and retains a strong commitment to their role. The development themes that arose from the evaluation are discussed on page 69.

The board's strategy and model to grow the business and drive shareholder value are set out on pages 10 and 15. It is usually against that background, and a mission statement of “delighting our customers with stylish pubs and hotels”, that the board makes decisions and manages risk.

The board continued to set clear expectations concerning the group's culture and values. By way of example, each person starting at one of our pubs received a formal induction which not only covers the company's vision and values, but also explains how we go about caring for our customers, right from their decision to come to our pubs through to a goodbye at the end of their visits. This is so important if we are to develop our people to delight our customers. The learnings from the induction programme then become instinctive over a team member's time with us.

Clear statements of behaviour are also issued by the board. An anti-bribery statement is available on our corporate website and our team members are encouraged to refer contractors and suppliers to this. We also have an antibribery policy. Both the statement and policy confirm that we have a zero-tolerance stance on

bribery, and they repeat the board's expectation that everyone behaves at all times honestly, professionally, fairly and with integrity. The policy is circulated to everyone at Copper House and to all pub managers; it is also contained in each pub employee's contract of employment. Our slavery and human trafficking statement, likewise, published on our corporate website, also explains to external stakeholders that we seek to conduct our business honestly and with integrity at all times and that we recognise that it is not acceptable to put profit above the welfare and wellbeing of our employees and those working on our behalf. Steps to combat modern slavery are taken seriously, and preventative measures are embedded across all departments throughout our organisation, to ensure we play our part in helping to stamp out slavery and human trafficking. A whistleblowing policy is also in place: this allows our employees to raise any concerns in confidence directly with the chair of the audit committee, the company secretary or the group's internal audit and risk manager. Experience to date suggests that this policy is effective and widely known.

We firmly believe that by encouraging the right way of thinking and behaving, across all our people, our corporate governance culture is reinforced. This enables us to conduct business sustainably and responsibly and it allows us to drive our premium, customer-focused, people-led strategy and deliver value for our shareholders. Within this framework, those managing our pubs are encouraged to be entrepreneurial, while supported by policies, processes and an extensive training programme that assists in protecting the business from unnecessary risk.

We accept that simply setting expectations is insufficient and it is important for the board to lead by example: it was therefore regularly seen out and about engaging with our team members, customers, and others. The executive team communicated regularly with the teams in the pubs and at our head office, through meetings and messages and at events. Being seen isn't always good, sometimes just fading into the background whilst observing and listening can be educational. Our relatively informal approach here was supported by more formal processes – we encouraged customer feedback (both directly to the pubs and via online booking review platforms) and there were also staff appraisals. Together, these provided invaluable insight into how we were seen to behave and led the board to believe that the group had a healthy corporate culture throughout the business.

Further details on our corporate governance arrangements (reflecting the broad principles in the QCA Code and their application) appear in the following pages and on our corporate website. Overall, I very much feel that the essence of the QCA Code is fully reflected and observed in our business, and a regular review by me with our company secretary will ensure that this remains the case in the years to come.

To finish, I remain ever aware of the importance of ensuring that we regularly engage with you, our shareholders. On page 70 we have set out what we do in this regard; the AGM is a key part of this, and I look forward to welcoming you to this year's AGM in Wandsworth on Thursday, 6 July 2023.

Stephen Goodyear
Chairman
24 May 2023

Key milestones during the period

- **19 May 2022 Full-year results** - We released our full-year results
- **5 July 2022 AGM** - Our shareholder AGM was held at Wandsworth Town Hall Board changes Patrick Dardis stepped down as chief executive and he was succeeded by Simon Dodd
- **7 July 2022 Final dividend** - A final dividend of 10.26 pence per share was paid to shareholders
- **30 September 2022 Board changes** - Mark Loughborough was appointed as retail director and Patrick Dardis stepped down from the board
- **2 December 2022 Interim dividend** - An interim dividend of 10.26 pence per share was paid to shareholders
- **18 January 2023 Board evaluation** – Lintstock presented its feedback from the company's first externally facilitated board evaluation
- **1 March 2023 Board changes** - Sarah Sergeant was appointed as an independent nonexecutive director

Website disclosures, some of which overlap with disclosures in our 2023 annual report

Principle 2

Seek to understand and meet shareholder needs and expectations

Website disclosure

Explain the ways in which the company seeks to engage with shareholders and how successful this has been. This should include information on those responsible for shareholder liaison or specification of the point of contact for such matters.

Copies of our annual report (which includes the notice of AGM) and the interim report are made available to all shareholders and they can be downloaded from the investors section of www.youngs.co.uk. The annual report is mailed to those shareholders who have requested a hard copy. Going forward, the interim report will only be made available to shareholders via the company's website. Other information for shareholders and interested parties is also provided on the company's website, including the preliminary and half-year results presentations to the City.

We have an ongoing programme of individual meetings with institutional shareholders and analysts following the preliminary and half-year results presentations to the City. These meetings allow the chief executive and the chief financial officer to update shareholders on strategy and the group's performance. Additional meetings with institutional investors and/or analysts are arranged from time to time. All board members receive copies of feedback reports from the City presentations and meetings, thus keeping them in touch with shareholder opinion.

Stephen Goodyear and Torquil Sligo-Young are the key contacts with the company's family shareholders, with Torquil having an important role to play in keeping them abreast of developments within the business. Nick Miller, as the senior independent non-executive director, and the other non-executive directors are all willing to engage with shareholders should they have any questions or concerns that are not resolved through the normal channels. The company secretary can also be contacted by shareholders on matters of governance and investor relations.

The board particularly supports the use of the AGM to communicate with private investors. The AGM is well attended, and all shareholders are given the opportunity to ask questions and raise issues; this can be done formally during the meeting or informally with the directors after it. According to our registration records, 100 shareholders were at the 2023 AGM, along with nine corporate representatives. We were pleased that so many made the effort to attend and vote in person. We believe that this level of participation is higher than one would normally expect to see for a company of our size.

At the AGM, the company proposes a separate resolution on each substantially separate issue. For each resolution, proxy appointment forms are issued which provide voting shareholders with the option to vote in advance of the AGM if they are unable to attend in person. All valid proxy votes received for the AGM are properly recorded and counted by Computershare, the company's registrar. All resolutions proposed at the meeting will be decided on a poll in accordance with current recommended best practice. As soon as practicable after the conclusion of the AGM, the results of the meeting are released through a regulatory information service and a copy of the announcement is posted on the company news page within the investors section of www.youngs.co.uk. This announcement also provides, for information, details of the total number of voting shares in issue and the number of shares in respect of which valid proxy appointments were received; a table is included showing the number of votes for and against each resolution and also the number within the chairman's discretion – excluded from the table are abstentions/ votes withheld and proxy appointments received from holders who appointed someone other than the chairman of the meeting as their proxy.

At last year's AGM, all resolutions were duly passed. Valid proxy appointments were received from holders of 19,352,845 voting shares, amounting to 56.23% of the then issued voting share capital, with the percentage in favour of each resolution ranging from 83.32% to 99.97%. We are very satisfied with the level of support but would welcome an increase in the overall number of shares being voted.

In our 2023 annual report, we have further developed our sustainability report. As a company, we have invested in sustainable and responsible business practices for a number of years, but we recognised last year that a more structured approach to sustainability was needed going forward. We have adopted a clear governance framework, which is explained below, and we are focused on defining our Environmental, Social and Governance strategy and identifying our priorities. We have engaged our teams to raise the profile of sustainability and during the last financial year initiatives were implemented which encourage behavioural change. We have worked with external advisors to gain a clear understanding of the steps we need to take to reduce our Scope 1 and 2 emissions.

The company is a founding member of the Zero Carbon Forum, a collective of hospitality businesses which has created a 'Roadmap for Hospitality to Net Zero' ahead of the UK Government's commitment of 2050. The company has aligned itself with the industry's roadmap which requires that, as a collective, we are aiming to achieve net zero for our Scope 1 and Scope 2 emissions (our direct company emissions) by 2030. The roadmap is being driven by the Zero Carbon Forum and is designed to provide the hospitality sector with guidance on the steps we can take to decarbonise our business and implement a net zero strategy. We have engaged Savills Earth to advise and support us as we develop our implementation plans and further information is available in the Our environment section of this report. The sustainability report, on pages 24 to 42 of our annual report provides further details.

Principle 3

Take into account wider stakeholder and social responsibilities and their implications for long-term success

Website disclosure

Explain how the business model identifies the key resources and relationships on which the business relies.

Explain how the company obtains feedback from stakeholders and the actions that have been generated as a result of this feedback (e.g., changes to inputs or improvements in products).

Our business model, which explains how we create value, is set out on page 10 and 11 of our 2023 annual report. That model has the following six principal elements:

Principal elements of our business model

1. Predominantly freehold estate
2. Differentiated, premium, mostly drink-led managed pubs in London and the South of England that have a high proportion of affluent customers
3. Depth of knowledge and expertise in our people
4. Appropriate revenue mix for pubs (62.5% drink, 31.5% food and 6% accommodation for the year ended 3 April 2023)
5. Diversified freehold-rich estate in prime locations
6. Buying power and sourcing of the best products for the best prices

Our business model is tried and tested and has been in place for very many years. The substantial changes to it in the last 20 years or so has been the sale and outsourcing of the company's brewing operations, resulting in the group having a primary and increased focus on an estate of premium managed pubs and the sale of most of the tenanted estate to focus on operating a predominantly freehold and premium managed pubs and pubs with rooms. As such, many of the key resources and relationships needed by the group have now been in place for quite some time. Things nevertheless remain under regular review to ensure that, amongst other things, we continue to lead and respond to market developments, thereby enhancing our reputation as a provider of a market-leading premium offering that new and existing customers want to enjoy and with which suppliers and others would want to be associated; this inevitably results in changes to products and/or suppliers from time to time.

The company's principal stakeholder groups are listed on page 20 of our 2023 annual report. Set out within the Section 172(1) statement starting on that page and in relation to each such group is:

- Why the directors believed it was important to engage with that group
- The main methods used by the directors to engage with that group and to understand the issues that concerned that group
- Information on the effect on the company's decisions and strategies during the period as a result of issues raised by that group.

Principle 7

Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

Website disclosure

Include a more detailed description of the board performance evaluation process/cycle adopted by the company. This should include a summary of:

- **The criteria against which board, committee, and individual effectiveness is considered;**
- **How evaluation procedures have evolved from previous years, the results of the evaluation process and action taken or planned as a result; and**
- **How often board evaluations take place.**

Explain how the company approaches succession planning and the processes by which it determines board and other senior management appointments, including any links to the board evaluation process.

The board undertakes a formal review of the effectiveness of its performance every two years. Internal evaluations were undertaken in 2018 and 2020. The reviews were led by the chair and involved the completion of a questionnaire on an anonymous basis, with anonymity intended to encourage more open and constructive comment.

The board considered the timing and approach to the 2022 board evaluation, and recognising the value and independent insights that would be provided by an external board evaluator, the board agreed that an externally facilitated exercise was the most suitable approach at this time.

An initial review of potential external board evaluators was undertaken by the company secretary, who engaged directly with the shortlist of providers to understand their approaches to the various evaluation methods and fit with Young's.

With feedback received from the chairman, chief executive, and wider board, Lintstock Limited ('Lintstock'), which has no other connection with the company or any of its directors, was appointed to undertake the evaluation exercise, which would involve the completion of a series of questionnaires by each director and the company secretary, followed up with individual interviews. Lintstock prepared the questionnaires for the board, audit, and remuneration committees, as well as individual performance questionnaires. The board members and the company secretary completed the questionnaires in November and individual interviews were conducted during December. Lintstock analysed the results of the questionnaires in conjunction with their own observations and the feedback given by the directors in their interviews. They compiled a draft report which was shared with the chairman, chief executive, and the company secretary. There were no significant revisions made to the report before it was issued to the board.

Performance evaluation

The board, committees and individual effectiveness of the directors were assessed against the following criteria.

Board performance:

- Board composition.
- Stakeholder oversight.
- Board dynamics.

- Board support.
- Management and focus of meetings.
- Strategic oversight.
- Risk oversight.
- People oversight.

The committees – audit and remuneration:

- Time management and composition.
- Committee processes and support.
- The work of the committee.
- Priorities for change.

Individual evaluation:

- Their individual performance and effectiveness.
- Personal development.

The directors also individually rated the performance of the chairman.

Conclusions from the 2022 review

The overall picture of the review was positive:

- the board benefits from a collegial atmosphere which values the Young's culture. There were constructive relationships between board members.
- the board and committee meetings were well managed, efficiently run and provided an appropriate environment for open discussion and constructive debate.
- the committees performed well and managed their respective duties effectively.
- the board was effective at setting strategic objectives and preparing the company for the future.

Actions from the 2022 review

As ever, the evaluation process provided a helpful opportunity for the directors to take a step back, reflect and consider how they work and highlight areas for future development. Areas to be considered during FY23 include:

- continued to develop the board dynamic under the new chief executive following a number of board changes.
- create more opportunities to hold board meetings and visit some of the company's pubs outside London.
- invite internal and external speakers to share their views on key strategic matters in order to stimulate debate and enhance board discussion.
- implement a board portal solution to manage board and committee papers.
- consider the appointment of a remuneration advisor to provide guidance to the remuneration committee.

Actions against these areas will be reported in next year's annual report.

As required by its terms of reference, the audit committee carried out a review of its constitution and terms of reference to ensure it was operating at maximum effectiveness. Some minor changes were proposed and put to the board for approval.

Throughout the year, the chief executive informally appraised the individual performance of the chief financial officer and the retail director as part of his regular one-to-one meetings with them. Individual development needs were discussed, as well as areas in which the executives could seek mentoring guidance. The chairman appraised the individual performance of the people director.

Frequency of evaluations

The next formal review by the board of the effectiveness of its performance as a unit, as well as that of its committees, is expected to be carried out in the autumn of 2024.

Succession planning and the processes by which board and other senior management appointments are determined (including any links to the board evaluation process)

Succession planning is regarded by the board as vitally important in maintaining a ‘strong bench’ and the continued success of the business. Through regular reviews and management discussions, the company expects to identify its future business leaders - personal development plans would then be put in place to harness their potential and plan for job growth and career progression.

Typically, the chairman and the chief executive lead on the board nomination and appointment process, although following the 2022 board evaluation an independent non-executive will also lead the process going forward. They consider the balance of skills, knowledge and experience on the board and make appropriate recommendations for consideration by the whole board. Each board member is invited to meet with the candidate. This process has been used effectively for a number of years and has led the board to remain of the view that it should continue to operate in this way, rather than through a more formal nomination committee.

The importance of diversity, including gender balance, is acknowledged in making any appointment – against this background, the board believes that appointments should be merit-based against the selection criteria created for any given role.

The board started a search for an additional independent non-executive director during the period. At the outset, the board identified the required skills and experience and an external search agency, Egon Zehnder (‘EZ’), was appointed to undertake the search.

EZ are not connected with the company or any directors, and having previously worked with the company they understand the business culture and the type of individual who would work well with the board. EZ helped create the role specification and a longlist of candidates was reviewed by the chair, chief executive, and people director. Initial meetings were held with a shortlist of candidates and a preferred candidate was identified. Subsequent interviews were held with the non-executive directors. The board then considered the new and complementary skills the candidate would bring to the board and approved the appointment of Sarah Sergeant as an independent non-executive director. Sarah joined the board on 1 March 2023.

The importance of diversity, including gender balance, is acknowledged in making any appointment - against this background, the board continues to believe, however, that appointments should be merit-based against the selection criteria created for any given role. On 5 July 2022, Simon Dodd was appointed chief executive, succeeding Patrick Dardis who stepped down as chief executive after the company’s AGM, and as an executive director on 30 September 2022. Simon was recruited in 2019 with succession planning in mind and his excellent leadership skills, vision and operational experience are already proving to be great assets to the company. In addition, Mark Loughborough joined the board as retail director on 30 September 2022. He has a wealth of experience, having spent 11 years with the company in a number of senior roles, most recently as senior director of operations.

Other senior appointments below board level are made by the chief executive in discussion with the chairman.

Principle 8

Promote a corporate culture that is based on ethical values and behaviours

Website disclosure

Explain how the board ensures that the company has the means to determine that ethical values and behaviours are recognised and respected.

Being a premium, customer-focussed, people-led business, we readily accept that our success depends on everyone within Young’s working together with respect, loyalty, and pride. Within the pubs, we need to ensure we exceed customers’ expectations by delivering the highest quality service, drinks, food, and accommodation at all times so our customers return, become loyal regulars and tell others about us. The tone is set from Copper House where the board usually holds its meetings and, most importantly, where the executive directors and senior management team are based.

With over 90% of our staff being pub-based and the vast majority of our revenue coming through our managed house division, we have invested heavily in our pub teams, including through the provision of training and support for them. Some of the first things that anyone in one of our pubs learns about are our heritage, our

people, our vision, and the values that make the essence of Young's. We see it as vital that everyone starts with a clear understanding of what makes Young's and its culture and the key role everyone plays in continuing to enhance its reputation, both in the locality of each pub and more widely.

The company's 'career pathway' is used to engage, inspire, and develop our teams. Beginning at team member level the career pathway offers a broad range of development opportunities for our front of house teams, through to general manager level and then on to operations manager. We also have a comprehensive programme for our kitchen teams, and we are proud that our kitchen assistants have the opportunity to develop into our head chefs of the future. The programmes cover our vision and values, and also explain how we go about caring for our customers, right from their decision to come to our pubs through to a goodbye at the end of their visits. The journal also provides them with a ready-reference and reminder of these early learnings. In a new member's early days, they will sit down regularly with their manager just to chat about progress and ensure they are on the right lines. The ongoing reinforcement of values and behaviour does not stop at the end of the induction programme: managers meet with their teams, individually and collectively, throughout an individual's time with us and the learnings from this four-week induction programme then become instinctive over a team member's time with us.

Whilst internal reviews are essential, the proof of the pudding is in the eating. All of our pubs use the Reputation platform which generates an aggregate score for each pub based on a range of factors, such as Google ratings and review platforms. The platform helps our pubs to understand their local customer preferences and concerns and provides actionable insights. It also allows our management teams to identify any problem areas. The Reputation platform is a key tool for us, and the insights gained leads the board to believe that the group has a healthy corporate culture throughout the business.

By encouraging the right way of thinking and behaving across all our people, we also see the very positive impact our business can have on the community. In this regard, our pubs, in particular, play an important part, with many helping with fundraising activities and other community events - initiatives also come from the teams at Copper House. Our sustainability report, starting on page 24 of our 2023 annual report, has been further developed and sets out examples of the things we have done during the year with regard to our people, our communities and our environment which are our three core areas of focus for sustainability. Overall, we regard these actions as very positive signs of our values and behaviours being endorsed throughout the business.

We accept that simply setting expectations is insufficient and so the board understands how important it is that it leads by example: it is therefore regularly seen out and about engaging with team members, customers and others, and the executive team, in particular, communicates regularly with the teams in the pubs and at Copper House through meetings and messages and at events.

The executive directors are all based at Copper House and work in an open plan environment. This gives them plenty of opportunities to engage informally not only with those team members based at Copper House but also the many employees working in the pubs that visit Wandsworth for training and other events. It also allows them to see and hear how people interact both with their work colleagues and others outside of the business (and enables them to address things if they are at odds with the right way of behaving).

Clear statements of behaviour are issued by the board. An anti-bribery statement is on our corporate website and members of staff are encouraged to refer contractors and suppliers to this. We also have an anti-bribery policy. Both the statement and policy confirm that we have a zero-tolerance stance on bribery, and they repeat the board's expectation that everyone behaves at all times honestly, professionally, fairly and with integrity. The policy is circulated to everyone at Copper House and to all pub managers; it is also included in each pub employee's contract of employment. An online assignment, testing the understanding and knowledge of this policy, has to be taken by every individual employed at Copper House - this must be taken within three months of joining Young's and then every two years.

Our slavery and human trafficking statement, likewise, published on our corporate website, also explains to external stakeholders that we seek to conduct our business honestly and with integrity at all times and that we recognise that it is not acceptable to put profit above the welfare and wellbeing of our employees and those working on our behalf. Steps to combat modern slavery are taken seriously, and efforts to prevent abuses are fully embedded across departments throughout our organisation to ensure we play our part in helping to stamp out slavery and human trafficking.

A whistleblowing policy is also in place: this allows staff to raise any concerns in confidence directly with the chair of the audit committee, the company secretary or the group's internal audit and risk manager. Experience to date suggests that this policy is effective and staff members are aware of it.

We are very aware of the pressures that people are now facing in their everyday lives and recognise that we can play a supporting role here. As such, and reflective of our caring culture, we have a wellness project in place that spans the physical, mental, and financial wellbeing of all our people; this builds on an already strong culture that will continue to secure our place as an employer of choice. Further information as regards our people (and especially the assistance and development we provide and have provided) is on pages 26-29 and 83-84 of our 2023 annual report.

Principle 9

Maintain governance structures and processes that are fit for purpose and support good decision-making by the board

Website disclosure

In addition to the high-level explanation of the application of the QCA Code set out in the chair's corporate governance statement:

- **Describe the roles and responsibilities of the chair, chief executive and any other directors who have specific individual responsibilities or remits (e.g., for engagement with shareholders or other stakeholder groups).**
- **Describe the roles of any committees (e.g., audit, remuneration and nomination committees) setting out any terms of reference and matters reserved by the board for its consideration.**
- **Describe which matters are reserved for the board.**
- **Describe any plans for evolution of the governance framework in line with the company's plans for growth.**

Roles and responsibilities of the chair, chief executive and any other directors who have specific individual responsibilities or remits (e.g., for engagement with shareholders or other stakeholder groups)

Stephen Goodyear, as chairman, is responsible for leading an effective board, fostering a good corporate governance culture, and ensuring appropriate strategic focus and direction.

The chief executive, Simon Dodd, has overall responsibility for proposing the strategic focus to the board, implementing the strategy once approved and managing the group's business.

The senior independent director, Nick Miller, acts as a sounding board for, and provides support and advice to, the chairman and other board members. He is available to shareholders and any of the directors should they have a concern that cannot be raised through the normal channels.

Stephen Goodyear and Torquil Sligo-Young, a non-executive director, are the key contacts with the company's family shareholders, with Torquil having a specific part to play in keeping in touch with them.

All of the executive directors have particular roles and areas of responsibility (Simon Dodd: chief executive, Mike Owen: chief financial officer, Tracy Dodd: people and health and safety and Mark Loughborough: retail director). As such, they continually engage with the group's stakeholders, the principal ones of which have been identified as the group's customers, the group's people, the group's suppliers, the group's investors, the group's lenders, and the trustee of the company's final salary pension scheme. As one would expect, there is a degree of overlap here, with individual roles and responsibilities touching many areas of the business.

Ian McHoul, an independent non-executive director, is chair of the audit committee.

Nick Miller, an independent non-executive director, is chair of the remuneration committee.

Roles of any committees (e.g., audit and remuneration)

Executive committee: it is responsible for the daily running of the group and the execution of approved policies and the business plan.

Audit committee: its primary focus is on external corporate reporting and on monitoring the company's internal control and risk management systems. Further details on the committee's responsibilities and activities are on pages 71-76 of our 2023 annual report.

Remuneration committee: its primary function is to determine, on behalf of the board, the remuneration packages of the executive directors. Further details on the committee and the company's reward policy are on pages 77-81 of our 2023 annual report.

Disclosure committee: its primary function is to assist the company in making timely and accurate disclosure of information required to be disclosed in order to meet legal and regulatory obligations.

The company does not have a formal nominations committee. Typically, the chairman and the chief executive lead on the board nomination and appointment process. They consider the balance of skills, knowledge and experience on the board and make appropriate recommendations for consideration by the whole board. Each board member is invited to meet with the candidate. Following the board evaluation, an independent non-executive director will also lead the process.

The terms of reference for the audit, remuneration and disclosure committees can be found in the investors section of our corporate website. The executive committee has no formal terms of reference.

Matters reserved for the board

The board has a formal written schedule of matters reserved for its review and approval; this schedule includes those matters described in the following table.

Category	Examples
Strategy and management	Approval of the group's long-term objectives and commercial strategy; approval of the group's annual budgets and any material changes to them; extension of the group's activities into new business or geographic areas; cessation of the operation of all or any material part of the group's business; overseeing the group's operations, ensuring competent and prudent management, sound planning, and compliance with statutory and regulatory obligations.
Structure and capital	Changes relating to the group's capital structure; major changes to the group's corporate or management and control structure; changes to the company's listing or its status as a plc.
Financial reporting and controls	Approval of the following: annual report and accounts, preliminary announcements of results, significant changes in accounting policies or practices, treasury policies, certain unbudgeted capital or operating expenditure; declaration or recommendation of dividends; ensuring maintenance of sound management and internal control systems and adequate accounting and other records; review and approval of expenditure authorisation limits.
Contracts	Contracts in the ordinary course of business material strategically or by reason of size (e.g., bank borrowings and material acquisitions or disposals of fixed assets); contracts not in the ordinary course of business; major investments.
Communication	Approval of resolutions, circulars, prospectuses and press releases concerning matters decided by the board.
Board membership and other appointments	Changes to the structure, size and composition of the board; ensuring adequate succession planning for the board and senior management; board appointments; selection of the chairman and the chief executive; appointment of the senior independent director; membership and chairs of board committees; continuation in office of directors; appointment or removal of the company secretary; appointment, reappointment or removal of the external auditor to be put to shareholders for approval, following the recommendation of the audit committee.

Remuneration	Approving the remuneration policy for the directors; determining the initial remuneration of the non-executive directors; introduction of new share incentive plans or major changes to existing plans.
Delegation of authority	Division of responsibilities between the chairman and the chief executive; establishing board committees and approving their terms of reference.
Corporate governance	Undertaking any formal and rigorous review of the board's own performance, that of its committees and individual directors, and the division of responsibilities; determining the independence of non-executive directors; review of the group's overall corporate governance arrangements; authorising conflicts of interest where permitted by the company's articles of association.
Policies and procedures	Approval of the following: manual on compliance with the AIM Rules and aspects of the UK Market Abuse Regulation, company's insider list manual, dealing code, anti-bribery policy, whistleblowing policy and health and safety policy.

Plans for evolution of the governance framework in line with the company's plans for growth

Nothing at present, although the company notes that the QCA are in the process of reviewing the QCA Corporate Governance Code (2018 Edition) and will monitor developments.

Principle 10

Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

Website disclosure

Disclose the outcomes of all votes in a clear and transparent manner.

Where a significant proportion of votes (e.g., 20% of independent votes) have been cast against a resolution at any general meeting, the company should include, on a timely basis, an explanation of what actions it intends to take to understand the reasons behind that vote result, and, where appropriate, any different action it has taken, or will take, as a result of the vote.

Include historical annual reports and other governance-related material, including notices of all general meetings over the last five years.

Clear and transparent disclosure of voting outcomes

As soon as practicable after any general meeting has concluded, the results of the meeting are released through a regulatory information service and a copy of the announcement is posted on the Company News page within the investors section of our corporate website. The announcement also provides, for information, details of the total number of voting shares in issue and the number of shares in respect of which valid proxy appointments were received; a table is included showing the number of votes for and against each resolution and also the number within the chair's discretion - excluded from the table are abstentions/votes withheld and proxy appointments received from holders who appointed someone other than the chair of the meeting as their proxy.

Explanation of actions where a significant proportion of votes (e.g., 20% of independent votes) is cast against a resolution at any general meeting

The company received a vote of more than 20% against a resolution, the reappointment of Torquil Sligo-Young at the 2021 AGM. The company reached out to shareholders to explain that Torquil Sligo-Young played an

important role on the board. Not only does he retain a long-standing family shareholding, but he is also the company's link with the Young's family who retain a significant stake in the company.

Inclusion of historical annual reports and other governance-related material, including notices of all general meetings over the last five years.

The investors section of our corporate website includes this information and more. Notices of the annual general meetings held in the last five years are contained within the relevant annual reports; no other general meetings have been held within the last five years.

Index

Set out in the following table is a list of the disclosures required to be published by us under the QCA Code. The table also indicates where each disclosure appears in our annual report or in this document. Unless stated otherwise, reference in this index to a page is to a page in this document.

Corporate Governance Principle ¹	Disclosure	Location
1	Explain the company's business model and strategy, including key challenges in their execution (and how those will be addressed).	Our 2023 annual report (pages 10-11, 15 and 44-47)
2	Explain the ways in which the company seeks to engage with shareholders and how successful this has been. This should include information on those responsible for shareholder liaison or specification of the point of contact for such matters.	Pages 5, 6, 12 and 13 and our 2023 annual report (pages 21 ("Investors") and 705 ("Shareholder Relations"))
3	Explain how the business model identifies the key resources and relationships on which the business relies.	Our 2023 annual report (pages 10-11 and 84-85 ("Engagement with suppliers, customers and others in a business relationship with the company"))
	Explain how the company obtains feedback from stakeholders and the actions that have been generated as a result of this feedback (e.g., changes to inputs or improvements in products).	Our 2023 annual report (pages 20-23)
4	Describe how the board has embedded effective risk management in order to execute and deliver strategy. This should include a description of what the board does to identify, assess and manage risk and how it gets assurance that the risk management and related control systems in place are effective.	Our 2023 annual report (page 70 ("Risk") and pages 70 and 75 ("Risk and internal control"))
5	Identify those directors who are considered to be independent; where there are grounds to question the independence of a director, through length of service or otherwise, this must be explained.	Our 2023 annual report (page 67 ("Independence"))
	Describe the time commitment required from directors (including non-executive directors as well as part-time executive directors).	Our 2023 annual report (page 68 ("Time

¹ The principles themselves are set out on page 1 of this document.

		<i>commitment”))</i>
	Include the number of meetings of the board (and any committees) during the year, together with the attendance record of each director.	Our 2023 annual report (page 66 (<i>“Attendance at board and committee meetings”</i>))
6	Identify each director.	Our 2023 annual report (pages 58-60)
	Describe the relevant experience, skills and personal qualities and capabilities that each director brings to the board (a simple list of current and past roles is insufficient); the statement should demonstrate how the board as a whole contains (or will contain) the necessary mix of experience, skills, personal qualities (including gender balance) and capabilities to deliver the strategy of the company for the benefit of the shareholders over the medium to long-term.	Our 2023 annual report (pages 58-60 and page 67 (<i>“Balance and size”</i>))
	Explain how each director keeps his/her skillset up to date.	Our 2023 annual report (page 68 (<i>“Training and development”</i>))
	Where the board or any committee has sought external advice on a significant matter, this must be described and explained.	Our 2023 annual report (page 68 (<i>“Advice for directors”</i>) and page 77 (<i>“Advice, guidance and information”</i>))
	Where external advisers to the board or any of its committees have been engaged, explain their role.	Our 2023 annual report (page 68 (<i>“Advice for directors”</i>) and page 77 (<i>“Advice, guidance and information”</i>))
	Describe any internal advisory responsibilities, such as the roles performed by the company secretary and the senior independent director, in advising and supporting the board.	Our 2023 annual report (page 66 (<i>“Roles and responsibilities”</i>) and page 68 (<i>“Training and development”</i>))
7	Include a high-level explanation of the board performance effectiveness process.	Our 2023 annual report (page 69 (<i>“Board evaluation”</i>))
	Where a board performance evaluation has taken place in the year, provide a brief overview of it, how it was conducted and its results and recommendations. Progress against previous recommendations should also be addressed.	Our 2023 annual report (page 69 (<i>“Board evaluation”</i>))
	Include a more detailed description of the board performance evaluation process/cycle adopted by the company. This should include a summary of:	Pages 6-7
	<ul style="list-style-type: none"> • The criteria against which board, committee, and individual 	Pages 6-7

	effectiveness is considered;	
	<ul style="list-style-type: none"> How evaluation procedures have evolved from previous years, the results of the evaluation process and action taken or planned as a result; and 	Pages 6-7 and our 2023 annual report (page 69 (" <i>Board evaluation</i> "))
	<ul style="list-style-type: none"> How often board evaluations take place. 	Page 6-7 and our 2023 annual report (page 69 (" <i>Board evaluation</i> "))
	Explain how the company approaches succession planning and the processes by which it determines board and other senior management appointments, including any links to the board evaluation process.	Page 8
8	<p>Include in the chair's corporate governance statement how the culture is consistent with the company's objectives, strategy and business model in the strategic report and with the description of principal risks and uncertainties. The statement should explain what the board does to monitor and promote a healthy corporate culture and how the board assesses the state of the culture at present.</p> <p>Explain how the board ensures that the company has the means to determine that ethical values and behaviours are recognised and respected.</p>	<p>Our 2023 annual report (pages 56 and 57 ("<i>Chairman's corporate governance statement</i>")) and pages 2-3</p> <p>Pages 9 and 10</p>
9	<p>In addition to the high-level explanation of the application of the QCA Code set out in the chair's corporate governance statement:</p> <ul style="list-style-type: none"> Describe the roles and responsibilities of the chair, chief executive and any other directors who have specific individual responsibilities or remits (e.g., for engagement with shareholders or other stakeholder groups). Describe the roles of any committees (e.g. audit, remuneration and nomination committees) setting out any terms of reference and matters reserved by the board for its consideration. Describe which matters are reserved for the board. Describe any plans for evolution of the governance framework in line with the company's plans for growth. 	<p>Page 10 and 11</p> <p>Pages 10 and 11</p> <p>Pages 11 and 12</p> <p>Page 12</p>
10	<p>Describe the work of any board committees undertaken during the year.</p> <p>Include an audit committee report (or equivalent report if such committee is not in place).</p>	<p>Our 2023 annual report (page 66 ("<i>The role of the board and its committees</i>"), pages 71-76 ("<i>Audit committee</i>") and pages 77-81 ("<i>Remuneration committee</i>"))</p> <p>Our 2023 annual report (pages 71-76)</p>

Include a remuneration committee report (or equivalent report if such committee is not in place).	Our 2023 annual report (pages 77-81)
If the company has not published one or more of the disclosures set out under Principles 1-9, the omitted disclosures must be identified and the reason for their omission explained.	All disclosures have been published
Disclose the outcomes of all votes in a clear and transparent manner.	Page 12
Where a significant proportion of votes (e.g., 20% of independent votes) have been cast against a resolution at any general meeting, the company should include, on a timely basis, an explanation of what actions it intends to take to understand the reasons behind that vote result, and, where appropriate, any different action it has taken, or will take, as a result of the vote.	Page 12 and 13
Include historical annual reports and other governance-related material, including notices of all general meetings over the last five years.	Page 13
