

CORPORATE GOVERNANCE STATEMENT

Governance Framework

The Board meets regularly to discuss key business issues and prescribe actions as appropriate. The Group's reporting structure below Board level is designed so that all decisions are made by those most qualified to do so in a timely manner. Day-to-day management and the implementation of strategies agreed by the Board are delegated to the Executive Directors. Key to this delegation is the Executive Committee, which meets each month.

This structure enables the Board to make informed decisions on a range of key issues including strategy and risk management.

All the Directors have the right to have their opposition to, or concerns over, the operations of the Board and/or the management of the Company, noted in the minutes.

During the year, no such opposition or concerns were noted.

The Chair and the Non-executive Directors met during the year without the Executive Directors present.

Role of the Chair

The Board has concluded that the Chair has met the independence criteria of the Code on appointment.

There is a clear division of responsibilities between the Chair and the Chief Executive.

The Chair is responsible for ensuring that the Board functions effectively. He sets the agenda for Board meetings and ensures that adequate time is devoted to discussion of all agenda items, particularly strategic issues, facilitating the effective contribution of all Directors and ensuring that the Board as a whole is involved in the decision-making process.

Role of the Chief Executive

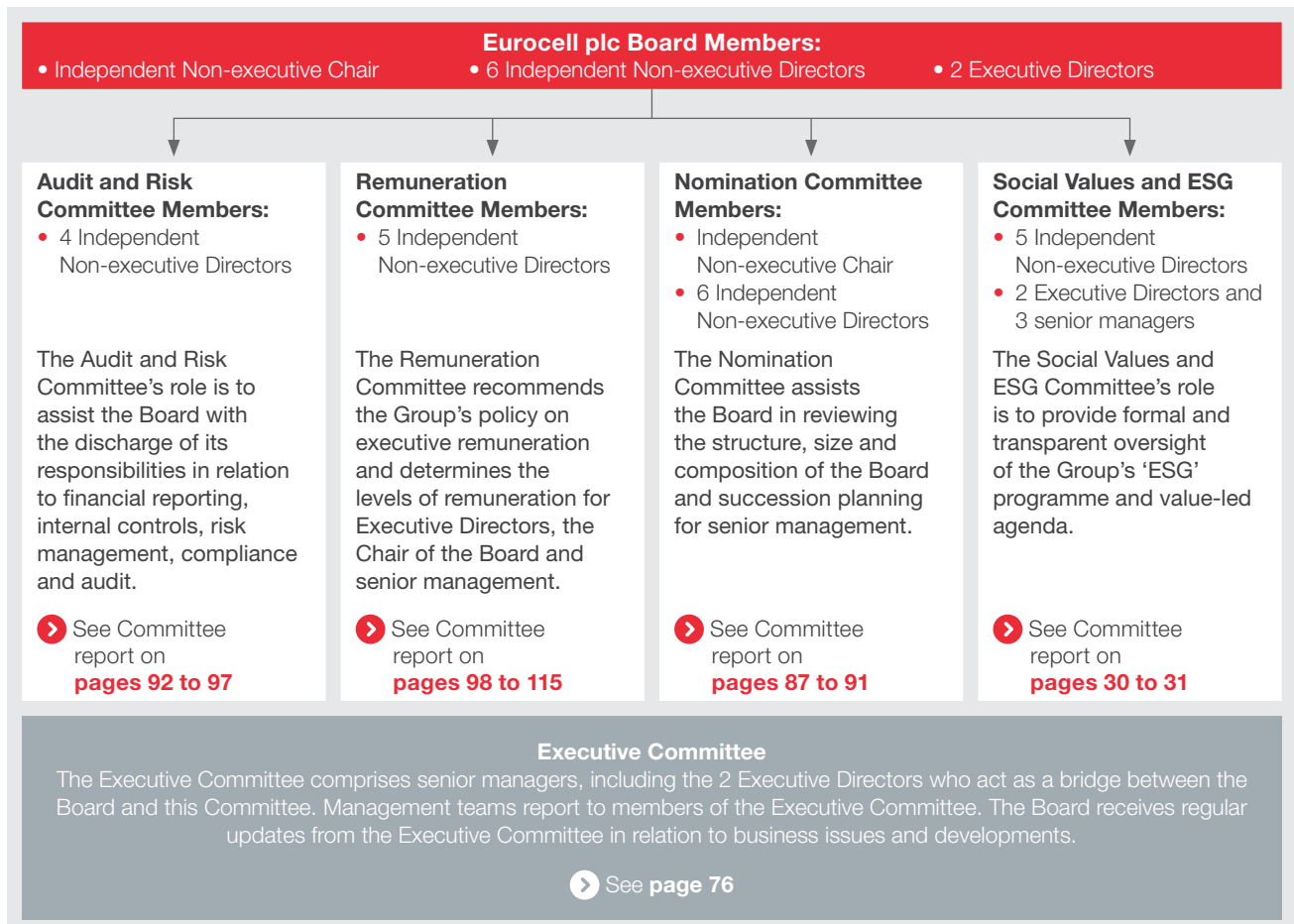
The Chief Executive has principal responsibility for all operational activities and the day-to-day management of the business, in accordance with the strategies and policies approved by the Board. The Chief Executive also has responsibility for communicating to the Group's employees the expectations of the Board in relation to culture, values and behaviours.

Role of the Senior Independent Director and Non-executive Directors

The Senior Independent Director has an important role on the Board, providing a sounding board for the Chair, leading on corporate governance issues and serving as an intermediary for the other Directors. He is available to shareholders if they have concerns which contact through the normal channels of the Chair, Chief Executive or other Executive Directors has failed to resolve, or for which such contact is not appropriate.

Frank Nelson has served as Senior Independent Non-executive Director throughout the year.

All Non-executive Directors are required to allocate sufficient time to the Company to discharge their responsibilities effectively. The Non-executive Directors act in a way they consider will promote the long-term sustainable success of the Group for the benefit of, and with regard to the interests of, its stakeholders.



CORPORATE GOVERNANCE STATEMENT CONTINUED

Board composition, commitment and election of Directors

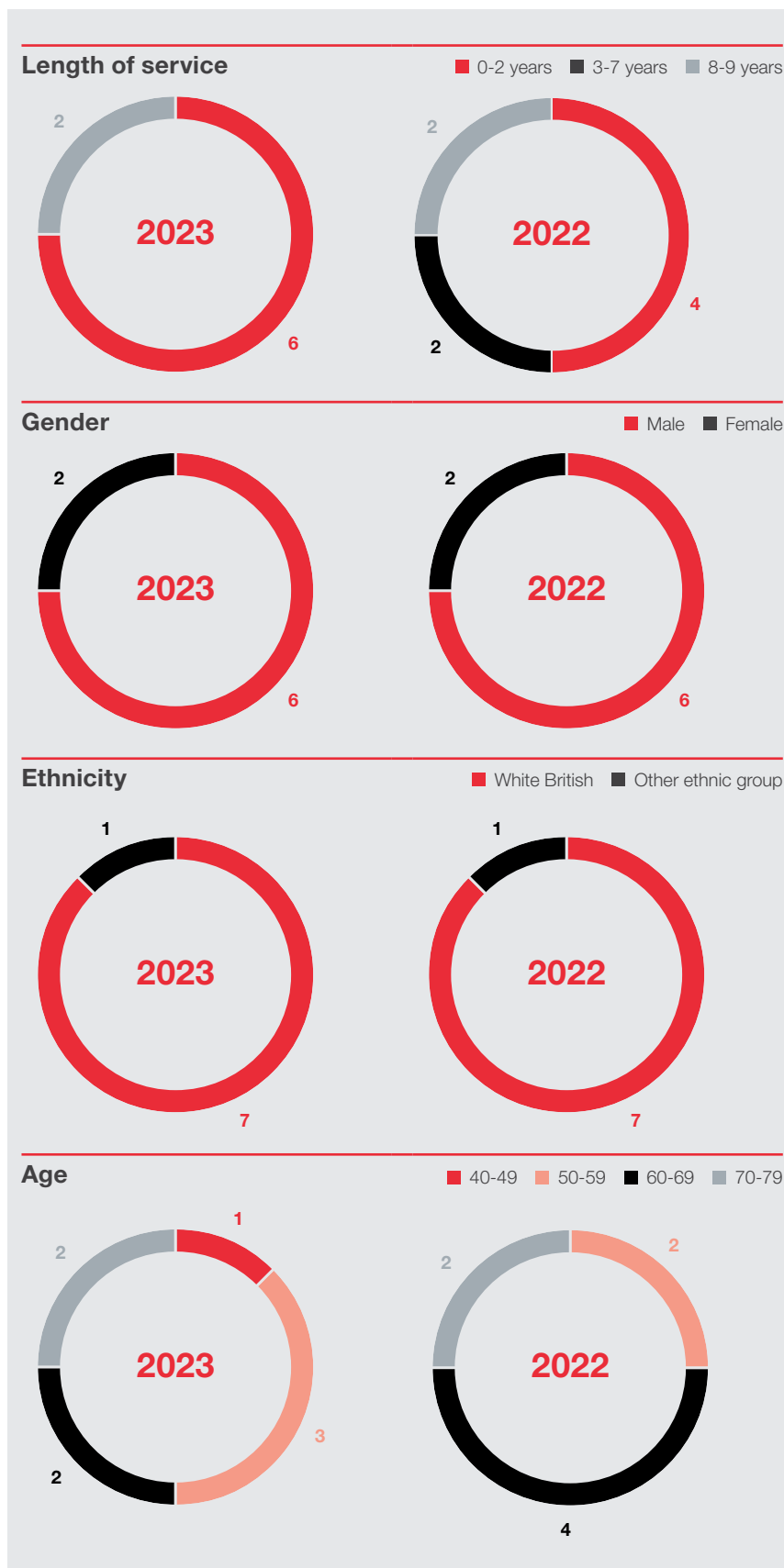
The Nomination Committee leads the process for Board appointments and makes recommendations to the Board. Prior to appointment, Board members, in particular the Chair and the Non-executive Directors, disclose their other commitments and agree to allocate sufficient time to the Company to discharge their duties effectively and ensure that these other commitments do not affect their contribution.

The Executive Directors may accept an outside appointment provided that such appointment does not in any way prejudice their ability to perform their duties as Executive Directors of the Company. Darren Waters and Michael Scott do not currently hold any outside appointments.

The Non-executive Directors' appointment letters anticipate a minimum time commitment of 20 days per annum, recognising that there is always the possibility of an additional time commitment and ad hoc matters arising from time to time, particularly when the Company is undergoing a period of increased activity. The average time commitment inevitably increases where a Non-executive Director assumes additional responsibilities such as being appointed to a Board Committee.

All new Non-executive Directors undergo an induction programme and as such spend considerably more than the minimum commitment during the course of a year. All Non-executive Directors are required to inform the Chair before accepting another position in order to ensure the Director has sufficient time to fulfil their duties. The current Board commitments of all Directors are shown on pages 74 and 75 and their terms of appointment are reported on page 105.

Summaries of the Board members' length of service, ethnicity, gender and age (at 31 December each year) is set out in the charts below:



The Company's Articles of Association contain powers of removal, appointment, election and re-election of Directors and provide that all of the Directors must retire and may offer themselves for re-election at each Annual General Meeting ('AGM').

At the upcoming AGM, all the current Directors intend to offer themselves for election/re-election, with the exception of Frank Nelson who will step-down after nine years of service, in accordance with the Code. Following the conclusion of the Board evaluation process, the Board considers all the Directors to be effective, committed to their roles and to have sufficient time available to perform their duties.

The Board has a process in place to assess the current and future skills and experience needed by the Non-executive Directors against a matrix of requirements, through which it has determined that the Non-executive Directors are independent and that the Board, as a whole, has appropriate and complementary skills and experience.

Board evaluation and effectiveness

In accordance with the Code, a formal evaluation of the Board's performance, along with its committees, Chair and individual Directors was conducted during the year, with the results presented and discussed at the March 2024 Board meeting.

The external evaluation was performed by Emma Haddleton, of Haddleton Knight, who had no connection with the Company or any individual Director.

In addition to observing the December 2023 Board and Committee meetings, individual interviews were conducted with each Board member and the Group Company Secretary, all of whom fully engaged with the process and provided their qualitative feedback. The anonymity of respondents was ensured to promote an open and frank exchange of views.

The timing and methodology of the Board evaluation was primarily influenced by the continued changes to the Board during the year. During 2023, Iraj Amiri succeeded Frank Nelson as Chair of the Audit and Risk Committee, and Will Truman was appointed as a Non-executive Director, who represents the Board on the steering group in place to advise on new systems implementation.

In addition, towards the end of the year, a search for a further Non-executive Director was commenced, to bring expertise to support the strategy of refocussing growth ambitions to the branch estate, which resulted in Angela Rushforth being appointed in February 2024.

The executive management team also experienced significant change in the year with Darren Waters taking over the role of Chief Executive in May 2023 and the more recent appointment of Cat Hambleton-Gray as the new People Officer in January 2024.

Furthermore, in November 2023, the Board undertook a thorough review of the Group's strategy, led by the executive management team, at which opportunities for growth in turnover, margin and profit were reviewed, along with the effective management of cash flow, as key parts of the overall strategy. This strategy was a core point of reflection during the evaluation process as all Board members, within this context, identified how they could contribute to achieving this plan.

The evaluation identified several areas of strength and some areas for enhancement and, overall, concluded that:

- The Board operates in an effective and professional manner and has developed considerably over the last 12-18 months
- Governance processes are transparent and well run
- Risks are openly discussed with greater focus on health and safety
- There is scope, and a desire, from the Board to develop further.

In addition, the evaluation highlighted:

- Given the significant change in members over the last 18 months, the Board was continuing to gain familiarity with each other, which was seen as work in progress with still more to achieve, and had not yet settled into being a team of players that all apply their individual skills fully
- The Board had successfully transitioned to more strategic, and proportionately less operational, updates at meetings and this would continue to improve the quality of the Board's debate. Focus on cash management and overseeing the investment in support systems and other capital requirements was now a focus for the Board

- ESG, culture and people engagement had been given increased board focus in 2023, including the creation of a new Social Values and ESG Committee. Directors' engagement with the workforce had continued with organised briefings that encouraged constructive feedback, for which all Non-executive Directors were scheduled to participate in 2024
- Greater Board visibility and interaction with the leadership team was to be encouraged and developed further.

Taking all the above into account, the Board is satisfied that the current composition of the Board, and its committees, provides an appropriate balance of skills, experience, independence and knowledge to allow the Board and its Committees to discharge their duties and responsibilities effectively and in line with the Code.

Conflicts of interest

The duties to avoid potential conflicts and to disclose such situations for authorisation by the Board are the personal responsibility of each Director. All Directors are required to ensure that they keep these duties under review and to inform the Group Company Secretary of any change in their respective positions.

The Company's conflict of interest procedures are reflected in its Articles of Association ('Articles'). In line with the Companies Act 2006, the Articles allow the Directors to authorise conflicts and potential conflicts of interest, where appropriate. The decision to authorise a conflict can only be made by non-conflicted Directors.

The Board, and its Committees, considers conflicts or potential conflicts at each meeting and, where such instances are identified, takes appropriate action, usually by excluding the conflicted party from any related discussions/decisions.

The Articles require the Company to indemnify its officers, including officers of wholly-owned subsidiaries, against liabilities arising from the conduct of the Group's business, to the extent permitted by law. The Group carries Directors' and Officers' liability insurance.

CORPORATE GOVERNANCE STATEMENT CONTINUED

Number of meetings attended/eligible to attend	Board	Audit and Risk Committee	Remuneration Committee	Nomination Committee	Social Values and ESG Committee
Derek Mapp	6/6	—	—	2/2	—
Frank Nelson	6/6	4/4	3/3	2/2	—
Martyn Coffey (stepped-down 11 May 2023)	1/1	—	1/1	1/1	—
Kate Allum	6/6	—	3/3	2/2	1/1
Alison Littlely	6/6	4/4	2/2	2/2	1/1
Iraj Amiri	6/6	4/4	2/2	2/2	1/1
Will Truman (appointed 11 May 2023)	5/5	2/2	—	1/1	1/1
Mark Kelly (retired 11 May 2023)	1/1	—	—	—	—
Darren Waters (appointed 11 April 2023)	5/5	—	—	—	1/1
Michael Scott	6/6	—	—	—	1/1

Board meetings and attendance

There were six full Board meetings held during 2023, four meetings of the Audit and Risk Committee, three meetings of the Remuneration Committee, two meetings of the Nomination Committee and one meeting of the Social Values and ESG Committee. All of these meetings were held in-person and were attended in full.

In addition, three virtual Board update meetings were held during 2023, in order to keep the Board fully updated on financial and operational matters. There was full attendance for all of these update meetings, with the exception of one director at one virtual meeting (due to a pre-existing engagement), which helped maintain a high level of Board awareness and support good governance.

Irrespective of their Committee membership, all members of the Board, including the Chair of the Board, Chief Executive and Chief Financial Officer, are invited to attend all Committee meetings, but are never involved in discussions and decisions regarding their own remuneration or appointment/replacement. In addition, the Audit and Risk Committee also meets with the external auditors without any Executive Directors being present.

The Group Company Secretary is also Secretary to the Audit and Risk, Remuneration, Nomination and Social Values and ESG Committees, and attends all meetings for this purpose.

Board packs are distributed in the week prior to each meeting to provide sufficient time for Directors to review their papers in advance. If Directors are unable to attend a Board meeting for any reason, they nonetheless receive the relevant papers and are consulted prior to the meeting and their views are made known to the other Directors.

The Group Company Secretary

All the Directors have access to the advice and services of the Group Company Secretary. The Group Company Secretary has responsibility for ensuring that all Board procedures are followed and for advising the Board, through the Chair, on all governance matters. The Group Company Secretary provides updates to the Board on regulatory and corporate governance issues, new legislation, and Directors' duties and obligations. The appointment and removal of the Group Company Secretary is one of the matters reserved for the Board.

Paul Walker has served as Group Company Secretary throughout the year.

Whenever necessary, Directors may take independent professional advice at the Company's expense. Board Committees are provided with sufficient resources to undertake their duties, including the option to appoint external advisers when they deem it appropriate.

Board induction, development and support

Following appointment, a new Director undergoes an induction programme, which includes a teach-in from Executive Committee members on key aspects of the business, including the background to our industry and markets, as well as the Company's strategy, commercial approach, manufacturing and logistics operations, administrative functions and culture.

Summary of induction programme:

Understand the business

- Meet, on a one-to-one basis, the Chair, Executive Directors and other Non-executive Directors
- Receive teach-in presentations from all key functions within the Group, including Commercial, Operations, Human Resources, Finance, Marketing and IT
- Meet with external stakeholders where appropriate e.g. customers, suppliers, advisers, and in some cases, major shareholders
- Review previous Board and Committee papers, Committee terms of reference, investor presentations and staff survey results.

Meet our colleagues

- Meet with the Executive Committee and senior management teams
- Visit all major operational sites, including factories, the main warehouse, a selection of branches and the main offices, including an opportunity to meet with colleagues from these areas.

Individual development and training needs are identified through the Board evaluation process and through individual reviews between the Directors and the Chair.

Risk management and internal control

The Board acknowledges its responsibility for determining the nature and extent of the significant risks it is willing to take in achieving its strategic objectives, and for the Group's system of internal control.

The Board has carried out a review of the effectiveness of the Group's risk management and internal control systems. This included a review of current and emerging risks, along with a review of financial, operational and compliance controls, for the period covered by this Annual Report.

The Strategic Report comments in detail (pages 68 to 72) on the nature of the principal risks and uncertainties facing the Group; in particular those that would threaten our business model, future performance, solvency or liquidity and the measures in place to mitigate them. In conducting its review, the Board has included a robust assessment of these risks and the effectiveness of mitigating controls.

The Audit and Risk Committee Report on pages 92 to 97 describes the internal control system and how it is managed and monitored. As described in last year's report, the cyber incident in 2022 was not the result of a breakdown in internal controls. Our investments over the last several years in cyber security played a major role in identifying the incident, enabling core systems to be restored quickly and mitigating the overall impact on the Group. Throughout 2023, we have continued to invest in enhancing our cyber security to provide further resilience in this area.

The Board confirms that no significant failings or weaknesses were identified in relation to the review. The Board also acknowledges that such systems are designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

Stakeholder engagement and Section 172(1) statement

Engagement with our shareholders and wider stakeholder groups plays a vital role across the Group, including at Board level. One of the primary areas of focus for the Board at any time is the impact its decisions or actions may have on key stakeholder groups represented within the Board's duty under s172 of the Companies Act 2006.

The Board is mindful of the levels of engagement with key stakeholder groups and how their respective views may be incorporated into relevant decision making. Board discussions therefore seek to appropriately consider the impact of its decisions and views of key stakeholder groups thereon, whilst always ensuring the need to promote the success of the Company for the benefit of its members as a whole.

In doing so, s172 requires the Directors to have regard (amongst other matters) to:

- The likely consequences of any decision in the long term
- The interests of the Company's employees
- The need to foster the Company's business relationships with suppliers, customers and others
- The impact of the Company's operations on the community and the environment
- The desirability of the Company maintaining a reputation for high standards of business conduct
- The need to act fairly as between members of the Company.

The Board considers information from across the organisation to help understand the impact of its operations and decisions, and the interests and views of our key stakeholders. This includes reviews of strategy, financial and operational performance, as well as information covering areas such as key risks, and legal and regulatory compliance.

This information is provided to the Board, and its Committees, through reports sent in advance of each meeting, and through in-person presentations, where appropriate. As a result of these activities, the Board has developed a good understanding of the interests and views of all stakeholders, and other relevant factors, which enables the Directors to comply with the requirements of section 172 of the Companies Act 2006.

The table overleaf sets out the Board's approach to stakeholder engagement, why stakeholders matter and some key decisions made during 2023. The Board will sometimes engage directly with certain stakeholders on certain issues, but the size and distribution of our stakeholders and of the Eurocell Group dictate that stakeholder engagement often takes place at an operational level.

To give greater understanding to this, we have provided clear cross-referencing to where more detailed information can be found in this Annual Report and Financial Statements.

Customers

Why they matter

The Board recognises the dependence of our growth plans on building strong and lasting relationships with our customers. Inter alia, this requires that we continuously improve product ranges, quality, availability and service to become the supplier of choice.

How we engage

Regular contact takes place between senior management and key customers, with our sales teams ensuring we engage properly across the full range of customers.

Customer reviews discuss our operational performance, including service levels and other relevant matters.

We perform customer insight surveys on a regular basis to assess satisfaction and understand 'Net Promoter Scores'.

In addition, quarterly forums are held with customer groups to discuss product design and innovation.

Regular monitoring of social media platforms for relevant comments/issues, coupled with Trustpilot customer reviews/ratings and direct comments received from customers visiting our branches, provide valuable customer insight.

How the Board complements engagement efforts

Throughout 2023, the Board received regular updates on our performance against customer and service-related KPIs, compared to historical and industry/sector benchmarks.

How their interests were considered during 2023

In completing the strategic review in Q4, the Board approved the introduction of 'Customer Growth' and Business Effectiveness' strategic pillars, which include continued progression of initiatives to enhance our customers' experience.

During 2023, a new website and e-commerce platform, was launched, with the aim of significantly improving the customer journey.

Further to this, the Board has approved expenditure to enhance our digital marketing to strengthen our online presence and therefore engage more effectively with both new and existing customers.

In addition, the Board has approved investment in supply agreements with new and existing fabricator customers. In exchange for exclusive supply arrangements, these investments support the commercial and operational development of our fabricators and their growth.

With the Board's oversight, our technical teams continue to work with our larger customers to enable them to conform to changing building regulations, including development of new product applications.

➤ For more details see Chief Executive's Report on pages 14 to 17

Shareholders

Why they matter

The Board recognises the importance of engaging with all shareholders and prioritises effective dialogue to ensure that we capture and embrace feedback relating to areas of interest and of concern, and to ensure that our obligations are met.

How we engage

The Group runs a comprehensive investor relations programme that results in regular dialogue with the investment community.

This includes formal presentations made to institutional shareholders and analysts, following the announcement of the Group's half-year and full-year results, covering a range of key topics affecting the Group's strategy, financial and operating performance. Ad hoc meetings are also held following trading updates and otherwise throughout the year.

The Chair, the Senior Independent Director and the other Directors are available to engage in dialogue with major shareholders as appropriate.

Shareholders have the opportunity to meet members of the Board and the senior management team at the Annual General Meeting and to ask any questions they may have.

How the Board complements engagement efforts

During 2023, the Chair met with some of our largest shareholders without the Executive Directors being present.

The Board also received regular updates on shareholder engagement and investor feedback, analyst reports and share price developments from the Chief Financial Officer.

How their interests were considered during 2023

Investor relations is covered at all Board meetings and updates.

The Board completed a review of the strategy in Q4, including the optimisation and expansion of the branch network, an enhanced customer proposition and simplified business structures. Through this work we identified new opportunities for growth and efficiencies, with initiatives grouped under four strategic pillars: Customer Growth, Business Effectiveness, People First and ESG Leadership.

We believe our strategy will, over the medium-term, drive sustainable growth in shareholder value.

In addition, recognising the macroeconomic and market challenges in 2023, the Board took the following actions to position the business well for when markets recover:

- Cost management – approved further defensive measures in Q2, including a cost saving programme and restructuring
- Cash management – efficient working capital utilisation, including stock reduction, to drive strong cash flow performance
- Share buybacks via our EBT, to satisfy employee awards and prevent shareholder dilution.

➤ For more details see Chief Financial Officer's Report **on pages 62 to 65**

Employees

Why they matter

The Board understands that our colleagues underpin the performance and success of our business and, therefore, the importance of providing a safe working environment that promotes inclusion and diversity, as well as ensuring they have the opportunity to realise their potential and progress in their careers.

How we engage

The Group conducts periodic staff surveys. In 2023 this included the annual 'Pulse' survey, combined with subsequent listening groups, to source the views of colleagues directly on several important topics and develop appropriate action plans. All results are analysed, shared with colleagues and used to drive appropriate change and improvement.

During 2023, we launched the EPIC staff magazine ('Eurocell People in Communication') which covers all aspects and activities of the Group on a regular basis, with an emphasis on colleague engagement and information-sharing.

Regular team-briefings on operational and financial performance, coupled with the publishing of internal bulletins ('In the Know'), help to keep our colleagues well informed.

Management regularly 'walk the floor' to understand first-hand the experiences of our colleagues and also undertake visits to operating sites and branches to ensure all parts of the Group are understood and taken into account in formulating plans.

All whistleblowing reports and grievances are investigated and appropriate changes implemented to help prevent recurrence.

How the Board complements engagement efforts

During 2023, the Board received updates on the progress of our colleague engagement initiatives and, in particular, considered the results of the staff surveys and the proposed action plan to address matters arising.

Board members were also able to share their own experiences and ideas to address the retention and recruitment challenges that continued through the year.

The Chief Executive provided regular updates to the Board on health and safety matters and the steps taken to ensure appropriate safety and wellbeing arrangements were in place.

How their interests were considered during 2023

In completing the strategic review in Q4, the Board approved management's proposals to update to the Group's purpose and values, and introduce a 'People First' strategic pillar based on:

- Health and safety
- Employee value proposition
- Colleague engagement
- Growing talent.

In addition, the Board approved the continued investment in a staff welfare refurbishment programme, to improve facilities in branches, factories and warehouses.

These actions support our ambition to have talented, engaged and motivated colleagues who work passionately to achieve clear business and personal goals.

➤ For more details see People First **on pages 38 to 41**

Suppliers

Why they matter

The Board appreciates that to operate effectively we must ensure secure supplies of good quality sustainable materials at a fair price from suppliers with high ethical standards, and monitor supplier performance against appropriate metrics.

How we engage

Our objective is to build and maintain strong and lasting working relationships with our supplier base.

Regular review meetings are held between senior management and key suppliers to discuss relevant topics, such as pricing, supply continuity and service levels.

Formal tender processes are undertaken for large and/or high value supplies, which helps develop relationships and creates a better understanding for all parties of the key issues involved.

How the Board complements engagement efforts

During 2023, cost inflation continued to be discussed at all Board meetings and updates. Board members have shared their ideas and experiences on supplier relationships and engagement, in the light of current risks and challenges.

How their interests were considered during 2023

The Board continued to work with and advise management on their approach, including:

- To accept supplier cost increases, where appropriate, to provide security of supply, particularly with regards to recycling feedstock
- To pass a fair proportion of such increases on to our own customers through selling price increases and potentially reversible surcharges.

➤ For more details see Sustainable Products **on pages 46 to 47**

Communities and environment

Why they matter

The Board understands the role all organisations have to play in protecting the environment and in mitigating the impact of climate change.

The Board also recognises the need to support the local communities in which our larger facilities are located.

How we engage

We believe sustainability sits right at the heart of our business.

We are the leading UK-based recycler of PVC windows, through our two recycling sites in Selby and Ilkeston, which drive a very large carbon saving compared to the use of virgin materials.

Our major sites engage with and support their local communities on an ongoing basis. We seek to recruit locally, retain a skilled local workforce, build relationships with local community organisations and support charitable initiatives where possible.

How the Board complements engagement efforts

The Board is actively engaged with the development and implementation of the Group's ESG strategy and, in late 2022, approved the formation of a 'Social values and ESG' committee.

Through this Committee, the Board receives updates on sustainability issues, including the performance of the two recycling sites.

How their interests were considered during 2023

In completing the strategic review in Q4, the Board approved the introduction of an 'ESG Leadership' strategic pillar. Towards the end of the year, we appointed CEN-ESG to support the development of our ESG strategy, including a path to net zero, as well as enhance our ESG reporting and disclosures.

With the Board's oversight, work in this area has to date focused on four key themes as follows:

- Carbon, energy and water – defining our pathway to carbon neutrality and net zero
- Waste minimisation and circularity – further strengthening materials recovery and process optimisation
- People and places – becoming a regional employer of choice and stepping up community engagement
- Governance – reporting progress against published ESG targets and aligning with sustainability indices.

During 2023, we selected Maggies as our corporate charity, through various initiatives and events, we have made donations of £22,500.

In addition, the Board approved an extension to the existing £75 million sustainable Revolving Credit Facility which contains annual recycling, emissions and waste reduction targets.

➤ For more details see Environmental Leadership **on pages 42 to 45**

Government and regulatory/ industry bodies

Why they matter

The Board recognises the critical importance of ensuring the highest standards of corporate governance, including compliance with the rules for listed companies and other relevant regulations (e.g. health & safety, taxation), which together give us our licence to operate.

How we engage

The Company applies the principles and provisions of the UK Corporate Governance Code and operates structures and policies to ensure ongoing compliance.

We also operate clear and effective policies to help prevent wrongdoing, including whistleblowing, bribery and corruption, fraud, financial crime and modern slavery, with training provided where appropriate.

Regular meetings are held with tax advisers to discuss tax compliance, HMRC correspondence and other relevant issues pertinent to the Group's finances and tax position.

The Company is a member of both the Windows and Recycling groups of the British Plastics Federation and the British Fenestration Rating Council, which provide a forum to understand changes in relevant legislation and building standards.

How the Board complements engagement efforts

The Audit and Risk Committee receives regular reports on governance, regulatory and compliance matters from management and from external and internal auditors. The internal audit programme is designed to provide assurance in this area.

In addition, the Board receives updates on matters such as developments in building regulations and our associated new product development initiatives.

How their interests were considered during 2023

The Board supported management's ongoing initiative to engage and collaborate with industry bodies, house builders, energy consultants and glass/hardware manufacturers to develop new products to meet the Government's 'Future Homes Standard' for the new build sector.

➤ For more details see Ethics and Compliance **on pages 48 to 49**

CORPORATE GOVERNANCE STATEMENT CONTINUED

Engagement with the workforce

As described in Stakeholder engagement on pages 83 to 85, we recognise that our colleagues underpin the performance and success of our business and active engagement has never been more important in the current social, economic and political environment.

The Group organises a number of colleague engagement initiatives to complement the existing team briefings, continuous improvement workshops and health and safety forums currently in place, including:

- The newly launched EPiC staff magazine ('Eurocell People in Communication') which regularly covers all aspects and activities of the Group with an emphasis on colleague engagement and information-sharing
- Regular colleague focus groups with the designated Non-executive Director, Alison Littley, to ensure workforce views are heard by the Board
- Departmental listening groups to allow colleagues to give direct feedback from which appropriate action plans can be formulated
- Group-wide 'Pulse' staff surveys, to provide invaluable insight into how our colleagues feel
- Review of retention and recruitment challenges, to identify areas for improvement and ensure we remain competitive in the labour market
- Enhancement of the induction process for new colleagues, to help address short-term staff turnover
- More flexible approaches to working, including hybrid working where appropriate
- Enhancement of colleague facilities and rest-room arrangements, as part of overall staff welfare improvements
- Continued opportunity for all colleagues to become shareholders via the Save As You Earn scheme, to share in the Group's success.

In addition, the Board assesses and monitors culture through:

- Reviews of staff survey results and response rates
- Reviews of staff turnover rates
- Reviews of health and safety data, including near misses
- Reviews of employee whistleblowing cases
- Interaction with senior management and workforce
- Observation of attitudes towards regulators such as HMRC and HSE, as well as internal and external auditors.

Executive remuneration has been, and continues to be, aligned with the wider company pay policy through the implementation of consistent annual salary reviews, annual bonus target-setting and benefit entitlement. As a result, it has not been considered necessary to engage with employees on this matter.

The Board is satisfied the above practices and behaviours throughout the Group are developing well to support improved employee engagement. In addition, as set out in 'People First' on pages 38 to 41, we have a number of in-progress and planned initiatives to improve our employee value proposition and retention rates, and drive down labour turnover.

Statement of compliance with the Code

This Corporate Governance Statement, together with the Nomination Committee Report, the Audit and Risk Committee Report and the Remuneration Committee Report, provide a description of how the principles and provisions of the Code have been applied during 2023.

It is the Board's view that, during 2023, Eurocell plc was in compliance with the relevant provisions set out in the Code in all material respects except for Provision 38 for the period up to Mark Kelly's retirement on 11 May 2023.

Provision 38 provides that Executive Director pension contribution rates (or payments in lieu) should be in line with those available to the workforce. For the period from 1 January 2023 up to his retirement at the AGM on 11 May 2023, Mark Kelly's pension contribution rates did not match the wider workforce during that period.

However, from 11 May 2023 onwards, all pension contributions for the Executive Directors were in line with those available to the workforce and therefore were compliant with the Code and in line with the Investment Association's guidance.

Further details regarding the Executive Directors' pension contributions are set out on page 108 of the Directors' Remuneration Report.

This statement complies with sub-sections 2.1, 2.2(1), 2.3(1), 2.5, 2.7 and 2.10 of Rule 7 of the Disclosure Rules and Transparency Rules of the Financial Conduct Authority. The information required to be disclosed by sub-section 2.60 of Rule 7 is shown on pages 116 to 119.

Annual General Meeting

Our AGM will be held at our Head Office (see Company Information on page 177 for details) on 16 May 2024.

The notice of our AGM, together with the Directors' voting recommendations on the resolutions to be proposed, is included on a separate circular to shareholders and will be dispatched at least 21 clear days before the meeting. The notice will be available to view at investors.eurocell.co.uk.

All Directors intend to attend the AGM, including the Chairs of the Audit and Risk, Remuneration, Nomination and Social Values and ESG Committees, who are available to answer questions. The Board welcomes questions from shareholders who have an opportunity to raise issues informally or formally before or during the meeting.

For each proposed resolution, the proxy appointment forms provide shareholders with the option to direct their proxy vote either for or against the resolution or to withhold their vote. The proxy form and any announcement of the results of a vote make it clear that a 'vote withheld' is not a vote in law and will not be counted in the calculation of the proportion of the votes for and against the resolution.

All valid proxy appointments are properly recorded and counted by Equiniti, the Company Registrars. Information on the number of shares represented by proxy, the proxy votes for and against each resolution, and the number of shares in respect of which the vote was withheld for each resolution, together with the proxy voting result, are given at the AGM. The total votes cast, including those at the AGM are published on our website (investors.eurocell.co.uk) immediately after the meeting.

Derek Mapp Chair

19 March 2024