

QCA Principles and Accrol Group Holding's approach

The Directors acknowledge the importance of high corporate governance standards and have chosen to comply with the Corporate Governance Code for Small and Mid-Size Quoted Companies, as issued by the Quoted Companies Alliance (QCA Code). A summary of how the Company currently complies with the QCA Code is set out below and annual updates on the Company's compliance will also be provided in the manner recommended by the QCA Code

The Chair leads the Board of Directors in ensuring the effective application of these governance standards. Regular Board meetings are convened to deliberate on strategic matters, performance evaluations, and corporate decisions. The Board is also assisted by the Audit, Nomination, and Remuneration Committees, which have clearly defined roles and responsibilities, meeting schedules, and terms of reference.

The executive team oversees day-to-day operations and is accountable to the Board. Key disclosures mandated by the QCA Code are also included in the latest Annual Report. Additionally, the company actively seeks input from auditors and advisors to bolster its governance practices.

The disclosures below were last reviewed and approved by the Board on 14 February 2024.

1. Establish a purpose, strategy and business model which promote long term value for shareholders

The Company has focused on improving operational efficiency, winning new business and clear pricing to customers. This strategy is shared by the Board and the senior operational team and has been expressed clearly through recent circulars to shareholders, announcements through RNS and is explained fully within the Strategic Report section in our Annual Report and Accounts each financial year.

The Company's vision is to build a diversified Group of size and scale, which is less exposed to input cost fluctuations and is focused on the broader private label personal hygiene and household products markets.

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

The Board places significant importance on the promotion of ethical values and good behaviour within the Company and takes ultimate responsibility for ensuring these are promoted and maintained throughout the organization and that they guide the Company's business objectives and strategy. The Company has documented procedures with respect to its responsibilities regarding ethical behaviour, specifically bribery and corrupt practices and modern slavery, and these are applicable across its operations including the supply chain and customer chain.

The Company communicates regularly with its employees, both formally and informally; this includes an employee engagement assessment (details of which can be found in the Company's Annual Report and Accounts here [Reports, presentations, circulars and voting - Accrol](#)) which helps to monitor the impact of its people-related processes.

The questions in the employee engagement assessment focused on a range of areas, including happiness at, and enjoyment with, work, expected standards, and personal development.

The Company is an equal opportunities employer and highly values its people. It is committed to delivering products with as little environmental impact as possible.

Promotion of the right ethical values and behaviours is built into the remuneration plans of the Board.

3. Seek to understand and meet shareholder needs and expectations

The Board is committed to an open and ongoing engagement with its shareholders and it also reviews and discusses changes in the Company's shareholder base at Board meetings. The main methods of communication with shareholders are the Annual Report and Accounts, the interim and full-year results announcements, the Annual General Meeting and the Company's website.

In addition, the Chair and Chief Executive Officer meet regularly with institutional investors and analysts to ensure that objectives and any business developments are clearly communicated, and that they are available to respond to any enquiries following Company announcements, together with other Company advisers. The Non-Executive Directors are also available to discuss any matters that shareholders wish to raise and discuss.

The Company does not have a dedicated investor relations department given its size but has engaged an external investor relations adviser to act as another point of contact for shareholders, details of which can be found here [Contact - Accrol](#). Questions from individual shareholders are typically referred to the Chair or CEO for written answers.

4. Take into account wider stakeholder interests, including social and environmental responsibilities, and their implications for long-term success

The Board recognizes that its long-term success will necessitate the maintenance of effective working relationships across a wide range of stakeholders as well as its shareholders; being primarily its employees, customers, and suppliers. The Executive Directors maintain an ongoing and collaborative dialogue with such stakeholders and take all feedback into consideration as part of the decision-making process and day-to-day running of the business. Twice each year, the Company carries out an employee survey. The level of employee engagement currently stands at 83% (2022: 84%) which is testament to the teamwork throughout the organization. The survey covers all aspects of the business and drives immediate change and improvement at all levels.

The Company takes social engagement very seriously and whilst the nature of the business limits the risk of it having a negative impact on society and the environment, it is well understood that the behaviour of the Company and its employees should always be carefully monitored.

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5. Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation

Risk management is reported in the Company's Annual Report and Accounts along with how those risks are mitigated and how they change over time.

6. Establish and maintain the board as a well-functioning, balanced team led by the chair

The Board comprises five Directors: The Executive Chairman, Daniel Wright, two Non-Executive Directors, and two Executive Directors. The CEO, Gareth Jenkins, is the longest-serving Executive Director, having been appointed in September 2017. Chris Welsh was appointed on 2 May 2023 to succeed Richard Newman as Chief Financial Officer as part of the Board's succession planning. Both Non-Executive Directors, Simon Allport and Euan Hamilton, are considered by the Board to be independent. Over the period, the Board has met as frequently as governance required but now meets regularly with processes in place to ensure that each Director is always provided with such information as is necessary to discharge their duties.

The Board is also supported by the Committees (Audit, Remuneration, and Nomination), each with specific remits.

The Non-Executive Directors were selected with the objective of increasing the breadth of skills and experience of the Board and to bring independent judgment to the Board. The Company believes that the makeup of the Board represents a suitable balance of independence and detailed knowledge of the business to ensure that it can fulfil its roles and responsibilities as effectively as possible. Please see [Board of directors - Accrol](#) for the profiles of the Non-Executive Directors.

7. Maintain appropriate governance structures and ensure that individually and collectively the directors have the necessary up-to-date experience, skills and capabilities

The Chair leads the Board and is responsible for its governance structures, performance, and effectiveness. The Chair is also responsible for ensuring the links between the Board and the shareholders are strong and efficient. The Chief Executive Officer, Chief Operating Officer, and Chief Financial Officer are responsible for the day-to-day management of the business and for implementing the strategic goals agreed by the Board. These responsibilities are reviewed and updated on a yearly basis.

The Board has also established an Audit Committee, Remuneration Committee, and Nomination Committee, the authorities and responsibilities of each Committee are derived from their terms of reference, which are reviewed and updated on a yearly basis. From time to time, separate committees may be set up by the Board to consider and address specific issues when and if the need arises.

Corporate governance disclosures are assessed at least annually, including whether the structures and processes are fit for purpose.

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

The Chair is responsible for ensuring an effective Board. He regularly reviews the operations of the Board to ensure that the members of the Board are committed, independent, and provide a relevant and effective contribution. The Company is not required to undertake a formal independent evaluation; however, the Board will consider undertaking a formal evaluation in the next financial year.

9. Establish a remuneration policy which is supportive of long-term value creation and the company's purpose, strategy and culture

Details of the Company's remuneration policy, as well as the responsibilities and actions of the remuneration committee can be found in the Company's Annual Report and Accounts here [Reports, presentations, circulars and voting - Accrol](#)

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

The Company places a strong emphasis on the standards of good corporate governance and maintaining an effective engagement with its shareholders and key stakeholders, which it considers to be integral to longer-term growth and success. Details of how the company engages with its various stakeholders can be found in the Section 172 Statement of the Company's Annual Report here [Reports, presentations, circulars and voting - Accrol](#).

The Company's reports and presentations and notices of Annual General Meetings are made available on the website here [Reports, presentations, circulars and voting - Accrol](#), as are the results of voting at shareholder meetings.