Corporate Governance

Section 172

The Board continues to recognise that good governance helps the business implement its strategy, protect shareholder value and minimise risk and remains committed to maintaining high standards of corporate governance. The Board's corporate governance is part of the overall governance framework of the Group and is directed in a manner which is responsible and in accordance with high standards of honesty, transparency, and accountability, whilst having regard to the matters set out in section 172(1)(a) to (f) of the Companies Act 2006, acting in good faith whilst promoting the success of the Group.

As in the prior year, the Group has continued to apply the Wates Corporate Governance Principles for Large Private Companies for the **year ended 31 December 2024**, as set out as follows:

Purpose and Leadership

The Group's vision has not faltered – it is to make Britain's roads a safer, happier and greener place by elevating the mood of every road user and its mission is to de-stress and delight Britain's road users. The Board of Directors continues to seek to deliver the Group's vision and mission through three core values:

i) **Caring** - To be friendly, engaging, welcoming and inclusive.
ii) **Uncomplicated** - To be straightforward, grounded, practical and transparent; and
iii) **Positively Obsessive** - To be energetic, adaptable, diligent and ambitious.

These values are the personality traits that the Board asks all of the Group's employees to display in their dealings with each other, partners, suppliers, customers and regulatory authorities. The Group lives by these values and they inform what the Board chooses to do and how it does it.

The Group's values are communicated to all employees as an integral part of their induction to the business, and the Board is committed to further promote the values on an ongoing basis, putting them at the heart of all key employee relations, including regular communications and behaviour driven incentives and rewards.

The Board monitors the effectiveness of this through employee engagement surveys, performance reviews and customer satisfaction scores, amongst other measures.

The Board believes that in promoting these shared collective values the Group is more likely to achieve long-term sustainable success and move closer to achieving its vision and mission, and also in particular, in achieving its business strategies as follows:

• To deliver the service experience as efficiently and effectively as possible;
• To utilise technology to improve convenience, speed of service, customer self-control and productivity;
• To provide brands and services that appeal to customers and evolve with their changing needs;

• To manage the Group's reputation and service experience to be one of the top service area operators;
• To closely manage performance indicators and adjust control measures accordingly; and
• To be competitively priced within the motorway service industry.

Board Composition

The Board comprises a range of roles, combining appropriate backgrounds and skills in order to optimise the effectiveness and balance of the Board as a collective, as well as individual objectivity and accountability. The Board is led by a Chief Executive Officer with extensive experience of a range of businesses across the UK. The size and structure of the Board is carefully considered to ensure it can meet the strategic needs and challenges of the Group and enable effective decision-making. This is reviewed in the context of evolving business requirements, the result of which has, for example, resulted in the appointment of an EV, ESG & Renewables Director in a recently-created role.

The Board recognises the importance of diversity in appointments and the benefits that this delivers. The Group uses succession planning to identify and develop future leaders and senior managers for the business.

The composition of the executive Board at the aforementioned year end date is as follows:
- Chief Executive Officer (Member of the Strategy & ESG, and Remuneration sub-committees);
- Chief Financial Officer (Member of the Strategy & ESG, and Audit & Risk sub-committees);
- Chief Commercial Officer (Member of the Strategy & ESG sub-committee);
- Operations Director (Member of the Health & Safety and People sub-committee);
- HR Director (Member of the Health & Safety and People, and Remuneration sub-committees);
- Property Development Director (Member of the Health & Safety and People sub-committee); and
- EV, ESG & Renewables Director (Member of the Strategy & ESG sub-committee).

Director Responsibilities

The Board is responsible for safeguarding the assets of the Group and promoting the success of the Group for the benefit of its shareholders, whilst maintaining high standards of corporate governance. The Board sets out to fulfil these responsibilities in all of its day-to-day activities and business interactions, and also has several structured methods as part of the delivery of these responsibilities. The Board has established a comprehensive and robust process of internal review to ensure processes and controls are operating effectively and the integrity management information is monitored and maintained. The Group operates a comprehensive programme of internal audits, including a specific team dedicated to operations excellence, as well as monthly financial reviews between finance and operations teams.

The Board schedules to meet formally six times a year to review all key aspects of the business, including financial performance, strategic and operational matters, stakeholder relations, health and safety, legal matters and corporate governance. The Board also meets on a monthly basis with senior managers of the business to discuss similar topics and to ensure all involved are fully informed of relevant matters.

The Group has sub-committees for: Strategy & ESG (Environmental, Social, Governance); Health & Safety and People; Audit & Risk; and Remuneration. These committees meet at regular intervals throughout each year and provide objective recommendations to the Board for approval or further action.

Opportunity and Risk

The Board considers the opportunities and risks of the Group on a regular basis, primarily discussing these during formal Board meetings. The Board recognises that in order to facilitate comprehensive and effective discussions it must endeavour to remain suitably informed and aware of potential opportunities and risks. The Board utilises a variety of resources to enable this, including analysis of industry and market data, maintenance of short and long-term business modelling, maintenance of risk registers, input from third party experts, and stakeholder collaboration. Employees are encouraged to interact with the Board in this regard through regular strategic meetings held throughout the year which involve senior managers across all key business functions.

Key strategic and investment proposals are considered and approved by the Board on a financial and non-financial basis, giving full consideration to the Group's values, and with the aim of creating and preserving value for the Group.

Significant risks are considered on a similar basis, with financial and non-financial implications fully explored by the Board and appropriate plans for mitigation agreed. By way of context, the types of risk considered include matters such as traffic disruption, competition, health and safety, financial risk management policies, and capital management.

Remuneration

Remuneration policies and decisions are made based upon the recommendations of a remuneration committee, which includes an independent member who is not remunerated by the Group. The remuneration committee is responsible for setting remuneration packages for the individual Board members as well as the policy for the Group's employees, with annual pay reviews undertaken, including a discretionary annual bonus that depends upon the performance of the Group.

In doing so, consideration is given to benchmarking data, business performance, and an underlying intent to attract and retain highly talented individuals.

Stakeholder relationships and engagement

Engagement with shareholders

Regular and transparent interaction is promoted with shareholders. The Group's Board of Directors includes representatives from the Group's principal and majority shareholder. The Board schedules to meet six times per year to discuss the performance and strategic direction of the Group, and approve significant business decisions.

Relevant business decisions and other topics of discussion with shareholders include:
- Health and safety;
- Remuneration policy;
- Board composition and other key appointments;
- Investment appraisals;
- Significant supplier agreements;
- Tax strategy;
- Significant business risks and opportunities; and
- Any other significant matters that may arise.

The Board also maintains a long-term business plan which is updated and shared with the Group's shareholders on a quarterly basis, providing a regular update on the long-term financial wellbeing of the Group.

Engagement with employees

The Board places considerable value on the involvement of its employees and continues to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Group. Employees, or their representatives, are consulted on a regular basis through a series of Joint Consultative Committees from site level to Support Office so that the views of employees can be considered in making decisions that are likely to affect their interests. In the year in question, the Chief Executive Officer also monitored an email address named “Ask Mark”, which is promoted to all employees and enables them to raise ideas or concerns directly with him at any time. The Board makes use of an at least annual employee engagement survey to collect the views and opinions of its employees. The Board also encourages all levels of staff to fulfil their own potential and offers internal training, secondment and promotion opportunities to enable this.

The Board aims to attract and retain passionate and engaged individuals, and recognises the importance of reward and recognition in achieving this. Management celebrate the achievements of employees by recognising the “Everyday Heroes” in our business who go above and beyond for customers and colleagues, with a variety of rewards available as part of this. Management benchmark wages and salaries offered to ensure competitive reward packages are offered to employees.

The Group is one of the few hospitality businesses with a Platinum Investors in People accreditation, demonstrating the exceptional standards and commitment that the business maintains as an employer. The Group also participates in the Best Companies survey enabling employees to provide feedback directly to Best Companies which provides a rating of the Group’s performance relative to other similar scale organisations in the UK. The Group has achieved a 3-star accreditation (the highest star-rating) with Best Companies, which recognises the Group as a ‘world-class’ employer.

Engagement with customers

The Group actively encourages feedback from customers through its “Tell Roadchef” programme which enables customers to provide immediate feedback on their experience. The Group’s Reputation.com system collates customer feedback from Tell Roadchef, social media, online reviews and other sources meaning customers have a wide choice of channels through which to communicate and the Group receives near real-time feedback. This ensures that issues can be quickly rectified and outstanding service from team members can be recognised promptly. The Board also works closely with brand partners to ensure the Group fully utilises their branded feedback systems, ensuring the Group maintains consistent standards of service, quality and customer satisfaction across its branded outlets.

Engagement with other stakeholders

Other stakeholders’ groups primarily include suppliers, lenders and charity partners, as well as transport infrastructure bodies, key trade bodies and others. The Board has in place key relationship partners from its management team to offer timely and responsive interaction whenever required, which ensures that these stakeholders are kept informed of all significant business decisions that may affect them and are able to raise ideas and concerns with ease.

We aim to operate in a way that benefits local communities as well as supporting our strategic business aims. We support local children's football teams by donating funds and organise several activities through the year to raise funds to support local charities. We are proud to partner with 'Too Good to Go' to foster community engagement and create a ripple effect of positive change. This ultimately creates growth and sustainability of such communities.

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