# Directors' Remuneration Report

## Letter from Kirsty Homer, Chair of the Remuneration Committee

## Dear Shareholder.

On behalf of the Board, I am pleased to present our 2024 Directors' Remuneration Report, my first since assuming the role of Chair of the Remuneration Committee on 1 November 2024. I would like to thank my predecessor, Nick Gregg, for being instrumental in driving the development of our approach to executive remuneration and for his invaluable support since I joined the Company as an independent Non-Executive Director in August 2023.

As a company having its shares admitted to trading on the AIM division of the London Stock Exchange, we are not required to fully apply the remuneration-related disclosures that Main Market companies incorporated in the UK are subject to. Nevertheless, the Board wishes to ensure that executive remuneration remains both transparent and stable and, therefore, considers it appropriate for the Company to provide Shareholders with detailed information with respect to executive remuneration. Furthermore, and as we have done for many years now, Shareholders will be asked to approve the Directors' Remuneration Report ('DRR') at the forthcoming AGM. We consider that our current approach to remuneration is working well and has the support of the vast majority of Shareholders, as reflected by the voting results at the 2024 AGM where we received 85.71 per cent of votes in favour of the DRR.

For 2025, no changes are proposed to the remuneration policy however, in recognition of the importance placed on margin performance, we have introduced a margin improvement performance metric into the bonus scheme. In addition, in line with our remuneration philosophy, we shall continue to monitor the levels of fixed remuneration to ensure that this remains appropriate and fair relative to the performance, scale and complexity of the business.

### Remuneration in 2024

For 2024, as disclosed last year, and following consultation with major shareholders, we made some relatively modest changes to the remuneration policy in respect of award limits for LTIP and bonus. Specifically, the Committee increased the annual bonus limit for 2024 to 150 per cent of base salary for the CEO and to 125 per cent of base salary for the CFO (previously 125 per cent and 110 per cent, respectively). In addition, the LTIP grant in 2024 was at the level of 150 per cent of salary for the CEO and at 125 per cent of salary for the CFO (previously 125 per cent and 110 per cent, respectively). There was also a corresponding increase in the levels of performance required for a full bonus payout and maximum LTIP vesting:

- base salary for each Executive Director was increased by 3.5 per cent with effect from 1 January 2024, such increase being aligned with that of the Group's wider employee population not subject to the National Living Wage;
- we adopted a similar approach to the bonus scheme as applied in 2023, with an adjusted Profit Before Tax ('PBT') measure applying to the vast majority of the bonus, supplemented with targets linked to the sustainability strategy of the business. Achievement against the performance targets was assessed after the end of the financial year and this resulted in a payment of 69.75 per cent of the maximum available to the Executive Directors. No discretion was applied to this outcome. The full targets are disclosed on page 91; and
- in determining the performance conditions for the LTIP, the Committee took into account the Group's business plan as well as the outlook for the sector, general macroeconomic conditions and the range of analysts' consensus forecasts for the financial year ending 31 December 2026. As disclosed in the 2023 Annual Report, following careful consideration, for the 2024 grant the Committee agreed to retain a relative Total Shareholder Return ('TSR') measure and targets for 50 per cent of the award. For the other 50 per cent, the Committee decided to adopt stretching targets linked to adjusted fully diluted Earnings per Share ('EPS'):
  - TSR: 50 per cent of the award is based on the Company's TSR performance relative to that of the constituents of the FTSE 250 ex. Investment Trusts Index (the 'Comparator Group') over the performance period. None of this element will vest if the Company's TSR positions it below the median of the Comparator Group, one quarter will vest if the Company's TSR is equal to the median of the Comparator Group and the whole of this element will vest if the Company's TSR is at or above the upper quartile level when compared to the Comparator Group. Vesting will be on a straight-line basis between median and upper quartile.
  - EPS: The remaining 50 per cent of the 2024 LTIP Award will vest by reference to growth in the Company's EPS over the performance period above the level of EPS achieved in the financial year ended 31 December 2023. None of this element of the award will vest if EPS growth (on a CAGR basis) is less than 9 per cent per annum over the performance period; one quarter will vest for EPS growth of 9 per cent per annum; and the whole of this element will vest if EPS growth is 16 per cent per annum or greater over the performance period. Vesting will be on a straight-line basis between these points.

As disclosed in last year's DRR, these changes ensure that the Group has an approach to Executive Director remuneration that is transparent, fair, competitive, and appropriate for the future growth of the business. Accordingly, whilst the changes to the remuneration policy for 2024 were focused on the incentive scheme elements of Executive Director reward, as the Group continues its growth trajectory, we shall, in line with our remuneration philosophy, continue to monitor the levels of fixed remuneration to ensure that these remain appropriate and fair relative to the performance, scale and complexity of the business. Full details of our remuneration policy and the intended approach for 2025 are set out later in this report.

After the end of the 2024 financial year, the Committee assessed the extent to which the targets had been met for the LTIP award made in 2022, with performance measured over the three-year period to 31 December 2024. Taking into account both the Group's TSR performance relative to the FTSE AIM All-Share Industrial Goods and Services net return index and adjusted Earnings Per Share (EPS) performance over the period, the Committee determined that there would be partial vesting of this award. While the adjusted EPS targets were not met in full, adjusted EPS performance was sufficient to lead to 65.9 per cent vesting for this element of the award and TSR performance against the index was sufficient to lead to 100 per cent vesting for this element of the award. The Committee was satisfied that these EPS and TSR outcomes were aligned with the underlying financial performance of the Company over the performance period. The total vesting level for the 2022 LTIP award was, therefore, 83.0 per cent. No discretion was applied to this outcome.

## Remuneration Policy and Changes for 2025

During the year, the Committee undertook its usual review of the remuneration policy and its implementation, taking account of Group progress and growth in the current business environment, the leadership demonstrated by the Executive Directors, the provisions of the 2018 UK Corporate Governance Code (the 'Code'), which applied to the Company during 2024, the Remuneration Regulations which apply to Main Market companies, and general market developments. The Committee takes seriously its role in ensuring the interests of colleagues, Shareholders and other key stakeholders are considered fairly and in the context of wider societal expectations.

The year's review concluded that the overall approach to executive remuneration remains appropriate and is consistent with the principles of the Code. There is a clear linkage between the performance metrics and targets used in the incentive schemes and the long-term growth strategy for the business. As outlined in this report, we have a formal and transparent procedure for developing our executive remuneration policy. Discretion is exercised appropriately when reviewing and authorising remuneration outcomes. No such discretion was exercised in respect of 2024.

## UK Corporate Governance Code

The remuneration policy is structured in line with the factors set out in Provision 40 of the Code. Pay is designed to be relatively simple and is disclosed transparently in this report. We take into account the Group's approach for the broader employee base when considering executive remuneration. The size of potential awards under the annual bonus scheme and the LTIP is not considered excessive in the context of wider market practice and the likelihood of rewards which would be inconsistent with performance is limited. We set targets under the incentive schemes which are designed to be challenging but achievable and which do not encourage inappropriate risk-taking. We believe that the strong ethical and governance culture across the Group is echoed by the rigour with which executive remuneration is considered by the Committee and the commitment to openness highlighted in this report.

There remain two areas where we do not fully comply with the Code provisions on remuneration:

1. We have not introduced a formal post-employment shareholding requirement for the Executive Directors. We believe that our current approach provides for a sufficient long-term alignment of interest between executives and Shareholders through, for example, the LTIP (where the further two-year holding period over and above the three-year performance period continues to apply in the event of cessation of employment) and the existing personal shareholding requirement of 200 per cent of basic salary (which applies during employment). We will keep these matters under regular review as market practice in this area continues to develop.
2. Pension rates for the CEO and CFO reflect historic entitlements. We have not yet fully aligned Executive Director pensions with the wider workforce; however, and as previously disclosed, we have established a pathway to alignment towards the rate available to the majority of the wider workforce. Whilst provision for both the CEO and the CFO remains above the workforce average, the effective pension contribution rate for the CEO has moved closer towards the rate payable to the wider workforce, with his maximum entitlement capped at the cash value of his 2019 entitlement such that, over a period of time, the rate payable will reduce. For 2024, this equated to a contribution rate of 8.8 per cent of the CEO's salary (2023: 9.1 per cent). Furthermore, as previously disclosed, the pension contribution rate for the CFO reduced to 15 per cent of base salary with effect from 1 January 2023; then reduced to 12 per cent of base salary with effect from 1 January 2024; and then reduced to 9 per cent of base salary with effect from 1 January 2025. For all new executive appointments to the Board, the employer pension contribution rate will be aligned with that available to the majority of the UK workforce (currently 6 per cent).

## Looking Ahead

The Committee has agreed to increase the base salary for each of the CEO and CFO by 2.5 per cent with effect from 1 January 2025, such increase being in line with, and in some cases lower than, that for the Group's wider employee population.

The performance measures for the 2025 annual bonus scheme are set out on page 97. We have decided to adopt a broadly similar approach to the bonus scheme as applied in 2024, with an adjusted PBT measure applying to the majority (76.5 per cent) of the bonus, supplemented with targets linked to the adjusted operating margin and sustainability strategy of the business. In recognition of the importance placed by the Board on sustainability, we have retained the 15 per cent weighting in respect of related targets for 2025 and will assess similar performance metrics as were used in 2024. In addition, for 2025, we have decided to introduce a margin improvement performance metric into the bonus scheme construct which will have an 8.5 per cent weighting. Progress on margin is a key focus area for a number of our largest Shareholders and the introduction of this new measure sends a clear signal of the importance placed on this by matter by the Board. Consistent with 2024, the maximum bonus entitlement for the CEO and the CFO will be 150 per cent of salary and 125 per cent of salary, respectively. As in previous years, we will disclose the specific 2025 annual bonus targets and the performance against them in our 2025 Directors' Remuneration Report.

Also consistent with 2024, the LTIP award levels for the CEO and CFO for 2025 will be 150 per cent and 125 per cent of salary, respectively. The 2025 LTIP award will again be made to a wider group of senior employees to ensure that we are providing suitably competitive packages to key people within the organisation. The awards for all participants will have the same performance metrics. For 50 per cent of the award we will retain the same relative TSR measure as used in 2024, namely outperformance of the FTSE 250 ex. Investment Trusts Index. As disclosed in last year's DRR, although Johnson Service Group is not a member of the FTSE 250, it shares many characteristics with companies in the index in terms of size, scale and maturity, and the index provides an appropriate market barometer against which the Company's performance can be tested. We have also decided to retain the same approach to measuring TSR: one quarter of the award will vest for median performance against the peer group over the performance period, rising to full vesting for upper quartile performance or above. Vesting will be on a straight-line basis between median and upper quartile.

For the other 50 per cent of the 2025 LTIP award, the Committee has decided to continue with stretching targets linked to growth in the Company's adjusted diluted EPS from continuing operations over the LTIP performance period. EPS remains our preferred long-term financial metric and we have applied stretching EPS performance targets which are considered suitably challenging in the context of current internal and external forecasts of performance and reflective of the grant level. None of the EPS element of the 2025 LTIP Award will vest if growth in EPS over the performance period (on a CAGR basis) is less than 9% p.a., one quarter will vest if EPS growth is 9% p.a. and the whole of this element of the 2025 LTIP Award will vest if EPS growth is 16% p.a. or greater. Vesting will be on a straight-line basis if EPS growth is between 9% p.a. and 16% p.a.

# Directors' Remuneration Report

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In terms of wider governance developments, over the course of 2025 the Remuneration Committee will make any changes it considers appropriate having regard to the 2024 UK Corporate Governance Code, which formally applies to the Company for the next reporting period.

## Conclusion

We are confident that our incentive schemes for 2025 will provide a robust framework for executive reward for the year ahead and will help reinforce the performance-oriented culture of the business. As normal, we will keep the remuneration policy under regular review and will continue to be cognisant of market developments.

As we have done for many years, we will put our Directors' Remuneration Report to Shareholders for approval at the 2025 AGM. If you have any questions on this issue or any other matter regarding executive remuneration, I am contactable via the Company Secretary.

**Kirsty Homer**
Chair, Remuneration Committee

3 March 2025

# Directors' Remuneration Report

## Committee Summary

### Remuneration Committee

#### Membership and Attendance

Throughout 2024, membership of the Remuneration Committee (the 'Committee') comprised of the Independent Non-Executive Directors (including the Non-Executive Chair of the Board) and the Committee was chaired by Nick Gregg until 1 November 2024 whereupon, as part of planned Board succession, Kirsty Homer succeeded him as Committee Chair. On 31 December 2024, upon completing 9 years' service as an Independent Non-Executive Director of the Company, Nick Gregg retired from the Board (and all Board sub-committees, including the Committee) of the Company. None of the members of the Committee have, or had, any personal financial interests in the Company (other than as Shareholders), conflicts of interests arising from cross-directorships or day to day involvement in running the business.

| | Member Since | Eligible to Attend[1] | Meetings Attended[1] |
|---|---|---|---|
| Kirsty Homer (Committee Chair) | Aug 2023 | 4 | 4 |
| Chris Girling | Aug 2018 | 4 | 4 |
| Jock Lennox | Jan 2021 | 4 | 4 |
| Nicola Keach | Jun 2022 | 4 | 4 |
| Nick Gregg | Jan 2016 | 4 | 4 |

Note 1: Includes scheduled and unscheduled meetings.

#### Main Responsibilities

In line with the authority delegated by the Board, the Committee sets the Company's Remuneration Policy and is responsible for determining remuneration terms and conditions of employment for the Chair of the Board, Executive Directors and those members of the Group Management Board whom are not Executive Directors.

The Committee:

- ensures that the Executive Directors are appropriately incentivised to enhance the Group's performance and rewarded for their contribution to the success of the business by designing, monitoring and assessing incentive arrangements, including setting stretching targets and assessing performance and outcomes against them;
- reviews the remuneration arrangements for other senior executives within the Group, namely those members of the Group Management Board who are not Executive Directors;
- in undertaking its responsibilities above, reviews and monitors the remuneration and related policies and culture applying to the wider workforce, taking these into account when considering, developing and setting remuneration policies and packages for Executive Directors and the Group Management Board; and
- maintains an active dialogue with Shareholders, ensuring their views and those of their advisors are sought and considered when setting executive remuneration.

The Committee regularly reports to the Board on how it has discharged its responsibilities. The full terms of reference of the Committee are available on the Company's website, or on request to the Company Secretary.

### External Advisors

The Committee seeks and considers advice from independent remuneration advisors where appropriate. The current appointed advisors, Korn Ferry, were selected through a thorough process led by the previous Chair of the Committee, Nick Gregg, and were appointed by the Committee in 2019.

The Chair of the Committee has direct access to the advisors as and when required, and the Committee determines the protocols by which the advisors interact with management, in particular the Company Secretary, in support of the Committee. The advice and recommendations of the external advisors are used as a guide, but do not serve as a substitute for thorough consideration of the issues by each Committee member. Advisors attend Committee meetings as and when required by the Committee.

Korn Ferry is a member of the Remuneration Consultants' Group and, as such, voluntarily operates under the Remuneration Consultants' Group Code of Conduct in relation to executive remuneration consulting in the UK. This is based upon principles of transparency, integrity, objectivity, competence, due care and confidentiality by executive remuneration consultants. Korn Ferry has confirmed that it has adhered to that Code of Conduct throughout the year for all remuneration services provided to the Group and therefore the Committee is satisfied that its advice is independent and objective. The Remuneration Consultants' Group Code of Conduct is available at remunerationconsultantsgroup.com.

Fees in respect of services provided to the Committee during the current and preceding year, in each case as at 31 December, are as follows:

| | 2024 | 2023 |
|---|---|---|
| | £000 | £000 |
| Fees (note 1) | 49 | 15 |

Note 1: Fees during the current and prior year relate to advice on market practice, governance updates, Shareholder consultation, reward benchmarking and consultancy, attendance at Committee meetings and ad-hoc advice.

# Directors' Remuneration Report

## Remuneration Policy

### Overview

The Committee reviews the Company's remuneration philosophy and structure each year to ensure that the remuneration framework remains effective in supporting the Company's business objectives, in line with best practice, and fairly rewards individuals for the contribution that they make to the business, having regard to the size and complexity of the Group's operations and the need to retain, motivate and attract employees of the highest calibre.

The Committee intends that base salary and total remuneration of Executive Directors should be in line with the market. Remuneration is periodically benchmarked against rewards available for equivalent roles in a suitable comparator group with the aim of paying neither significantly above nor below the market for each element of remuneration. The Committee also considers general pay and employment conditions of all employees within the Group and is sensitive to these, to prevailing market conditions, and to governance trends when assessing the level of salaries and remuneration packages of Executive Directors.

The total remuneration package links corporate and individual performance with an appropriate balance between short and long term elements, and fixed and variable components. The remuneration policy is designed to incentivise executives to meet the Company's strategic objectives, such that a significant portion of total remuneration is performance related, based on a mixture of internal targets linked to the Company's strategic business drivers (which can be easily measured, understood and accepted by both executives and Shareholders) and appropriate external comparator groups.

The Committee considers that the targets set for the different elements of performance related remuneration are both appropriate and demanding in the context of the business environment and the challenges with which the Group is faced.

Prior to proposing the adoption of new or amended employee share schemes, the Company will consult in advance with, and seek feedback from, major Shareholders. New schemes may need to be proposed in order for the Company to be able to continue to operate its executive and all employee share schemes, for example, due to the incumbent scheme nearing the end of its lifetime. Existing schemes may need to be amended to reflect current or emerging best practice. Following any consultation process, the adoption of new or amended employee share schemes will then be proposed at the next relevant AGM.

Full details of all current schemes are included within this Report.

### Remuneration Policy Table

The current remuneration of Executive Directors comprises base salary, taxable benefits, pension, annual bonus and a Long-Term Incentive Plan ('LTIP'). Details of how the various components of remuneration are delivered are set out below.

| Component and Link to Strategy | Operation | Maximum Opportunity | Performance Measures |
|---|---|---|---|
| **Base Salary**<br>Reflects the individual's role, experience and contribution.<br><br>Set at levels to attract and retain individuals of the calibre required to lead the business and to ensure no over reliance on variable pay. | Base salaries are reviewed annually with any increases normally taking effect on 1 January of each year.<br><br>Salaries are appropriately benchmarked and reflect the role, job size and responsibility as well as the performance and effectiveness of the individual. | Whilst there is no prescribed formulaic maximum, any increases will take into account prevailing market and economic conditions as well as increases for the wider workforce.<br><br>Increases may be above this when an Executive Director progresses in the role, gains substantially in experience, there is a significant increase in the scale of the role, or was appointed on a salary below the market. In addition, increases may be agreed in the event of a significant change in the size, scale and / or complexity of the business.<br><br>Any increase will be appropriately explained in the relevant year's annual report. | None. |
| **Taxable Benefits**<br>To provide a competitive level of benefits in order to attract and retain individuals of the calibre required to lead the business. | Taxable benefits, which are not performance related, principally include, but are not limited to, the provision of a car or car allowance and private medical insurance for Executive Directors and their dependants. | The cost of providing these benefits can vary in accordance with market conditions, which will, therefore, determine the maximum value. | None. |

| Component and Link to Strategy | Operation | Maximum Opportunity | Performance Measures |
|---|---|---|---|
| **Pension**<br>To ensure the Company can provide a fully competitive level of benefits in order to attract and retain individuals of the calibre required to lead the business. | Executive Directors are invited to participate in the Company's defined contribution pension scheme or to take a cash alternative allowance in lieu of pension entitlement.<br>In addition, both the CEO and CFO are members of the Company's defined benefit pension scheme. The CEO left active pensionable service on 31 December 2014 and the CFO left active pensionable service on 31 December 2011. | For the Company's pension cash allowance (or pension contribution as appropriate), the CEO was historically entitled to a maximum employer contribution of 14 per cent of base salary. As previously disclosed, the Committee determined that the CEO's maximum entitlement would be capped at the cash value of his 2019 entitlement such that, over a period of time, the rate payable to the CEO would reduce and move closer to that payable to the wider workforce. For 2024, this equated to a contribution rate of 8.8 per cent on the CEO's salary (2023: 9.1 per cent).<br>The CFO was previously entitled to a maximum pension cash allowance of 17.8 per cent of base salary. As previously disclosed, the pension contribution rate for the CFO reduced to 15 per cent of base salary with effect from 1 January 2023; then reduced to 12 per cent of base salary with effect from 1 January 2024; and then reduced to 9 per cent of base salary with effect from 1 January 2025.<br>For all new executive appointments to the Board, the employer pension contribution rate will be aligned with that available to the majority of the wider workforce, such rate currently being approximately 6 per cent.<br>Further details are set out on pages 90 to 91. | None. |

## Remuneration Policy

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| Component and Link to Strategy | Operation | Maximum Opportunity | Performance Measures |
|---|---|---|---|
| **Annual Bonus**<br>To incentivise and reward the achievement of stretching one-year key performance targets set by the Committee at the start of each financial year. | The annual bonus is, ordinarily, earned by the achievement of one-year performance targets set by the Committee at the start of each financial year and is delivered in cash. The Committee sets appropriately challenging targets each year.<br>The Committee retains the discretion to adjust the targets to take account of events which were not foreseen or allowed for at the start of the year when targets were set, for example, acquisitions in the year. The Committee also retains the discretion to adjust the bonus outcomes and/or targets to ensure that they reflect the underlying business performance.<br>The annual bonus is subject to malus and/or clawback.<br>The Chair and the Non-Executive Directors are not eligible to participate in the annual bonus scheme. | For 2025, the maximum amount payable to the CEO is 150 per cent of base salary. The target award is 75 per cent of base salary.<br>The maximum amount payable to the CFO is 125 per cent of base salary. The target award is 62.5 per cent of base salary.<br>In both cases, no bonus is payable for below threshold performance. Payments increase on a straight-line basis from threshold to target and from target to maximum. Maximum performance requires performance significantly ahead of the minimum threshold. | The vast majority of the annual bonus is based on the Group's adjusted profit before taxation result, with performance measured over the financial year.<br>Since 2022 a minority of the annual bonus has been based on specific and measurable sustainability targets. For 2025 the weighting for this element of the bonus will remain at 15 per cent of the total.<br>An additional financial measure has been introduced for 2025 based on margin improvement. This will have a weighting of 8.5 per cent of the total bonus. The profit before taxation element will therefore account for 76.5 per cent of the total bonus. |
| **LTIP**<br>To incentivise and reward Executive Directors for the delivery of longer-term financial performance and Shareholder value.<br><br>Share-based to provide alignment with Shareholder interests. | An annual conditional award of ordinary shares which may be earned after a single three-year performance period, based on the achievement of stretching performance conditions.<br>Participants are required to hold vested LTIP shares (net of any shares sold to meet tax and social security liabilities) for a period of two years post vesting.<br>Calculations of the achievement of the performance targets are independently performed and are approved by the Committee.<br>To ensure continued alignment between Executive Directors' and Shareholders' interests, the Committee also reviews the underlying financial performance of the Group and retains its discretion to adjust vesting if it considers that performance is unsatisfactory.<br>Malus and clawback rules operate in respect of the LTIP.<br>LTIP awards may be granted with an entitlement to dividend equivalents on any shares which vest. | In 2025, annual LTIP awards will be made at the following levels of base salary:<br>CEO: 150 per cent<br>CFO: 125 per cent | The Committee will select the performance measures and weightings prior to the grant of awards that support the Company's longer-term strategy and shareholder value from time to time.<br>Awards have, in most years, been granted with performance conditions linked to the Company's Total Shareholder Return (TSR) and Earnings per Share (EPS) performance. For the 2025 LTIP, the Committee has decided to retain performance conditions linked to TSR and EPS.<br>Further details are set out on pages 94 to 96. |

### Notes to the Remuneration Policy Table

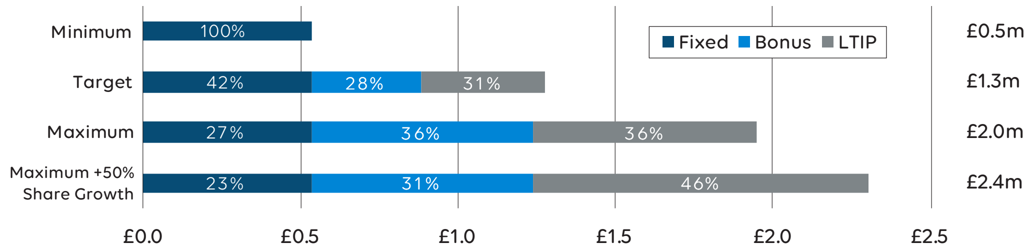
The Remuneration Policy for Executive Directors differs from that of other members of the Group Management Board solely in respect of quantum of the various components and remuneration. Executive Directors have a greater proportion of their total remuneration package at risk than other employees, however, the structure and principles of incentives are broadly consistent. The wider employee population of the Group will receive remuneration that is considered to be appropriate in relation to their geographic location, level of responsibility and performance.

### Illustrations of the Application of the Remuneration Policy

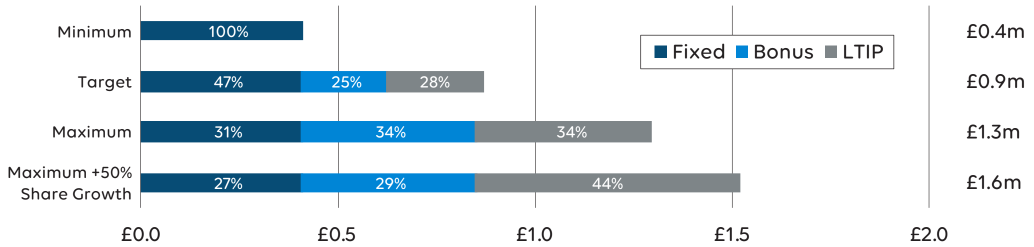
The Company's policy is to provide a total remuneration package that links corporate and individual performance with an appropriate balance between short and long term elements, and fixed and variable components. The charts below show an example of the remuneration that could be receivable by Executive Directors in office at 1 January 2025 under the policy set out in this Directors' Remuneration Report.

Each bar gives an indication of the minimum amount of remuneration payable, remuneration payable at target and at maximum performance to each Executive Director under the policy. Each of the bars is broken down to show how the total under each scenario is made up of fixed elements of remuneration, the annual bonus and the LTIP.

**Peter Egan**
***Illustration Only***




**Yvonne Monaghan**
***Illustration Only***




The above illustration is based on a number of assumptions:

- fixed remuneration includes:
  - annual base salary as at 1 January 2025;
  - value of taxable benefits received in 2024 as shown in the single figure table on page 90; and
  - pension cash alternative allowance as at 1 January 2025.
- the maximum bonus opportunity is 150% of base salary for the CEO and 125% of base salary for the CFO;
- the maximum LTIP award is 150% of base salary for the CEO and 125% of base salary for the CFO;
- variable remuneration at minimum, target and maximum payout has been assumed at 0%, 50% and 100% respectively of maximum bonus opportunity;
- variable remuneration at minimum, target and maximum payout has been assumed at 0%, 55% and 100% respectively of maximum LTIP opportunity;
- share price appreciation has been calculated as a 50% increase in the value of the LTIP between the date of grant and vesting; and
- no dividend accrual has been incorporated in the values relating to the LTIP.

Note that percentages may not add to 100 due to rounding.

## Malus and Clawback

To reflect best practice, and to align with Shareholder interests, malus and clawback provisions apply to awards under the annual bonus and LTIP schemes (together 'Awards').

Those provisions enable the Committee to decide, up until the third anniversary of an Award becoming payable, in circumstances in which the Committee considers it appropriate, to reduce the quantum of an Award, cancel an Award or impose further conditions on an Award. The provisions also enable the Committee to decide, up until the third anniversary of an Award becoming payable that, in the relevant circumstances, the participant must repay to the Company (or any person nominated by the Company) some or all of the cash or shares received under an Award.

The circumstances in which the Committee may apply the malus and clawback provisions include, but are not limited to:

- a material misstatement of the Company's audited financial results;
- a miscalculation of the extent to which a performance target has been met;
- a material failure of risk management by the Company;
- serious reputational damage to the Company;
- misconduct by a participant; and
- a material downturn in the financial position of the Company.

### Personal Shareholding Requirement and Holding Periods

In order that their interests are linked with those of Shareholders, Executive Directors are expected to build and maintain a personal shareholding in the Company equal to at least 200 per cent of the value of their base salary over a period of five years. For the current Executive Directors, this five-year period commenced on 31 December 2019 and ended on 31 December 2024. For the purpose of this requirement, the net of tax number of vested but unexercised share awards, which are not subject to any further performance conditions, will be included.

In addition, awards granted under the 2018 Long-Term Incentive Plan (the '2018 LTIP Scheme') in 2019 and thereafter are subject to a two-year post-vesting holding period over and above the three-year vesting period of an LTIP award (the 'Holding Period'). The Holding Period will continue to apply in the event of cessation of employment, save where cessation is by reason of death in which case the Holding Period shall immediately be deemed to have ended.

### Approach to Recruitment Remuneration

The Committee would expect to apply the same Remuneration Policy as that which applies to existing Executive Directors when considering the recruitment of a new Executive Director.

Nevertheless, other arrangements may be established specifically to facilitate recruitment of a particular individual, albeit that any such arrangement would be made within the context of minimising the cost to the Company. An example might be the need to provide a level of compensation for forfeiture of bonus entitlements and/or unvested long term incentive awards from an existing employer, if any, or the additional provision of benefits in kind and other allowances, such as relocation, education and tax equalisation, as may be required in order to achieve a successful recruitment. Any arrangement established specifically to facilitate the recruitment of a particular individual would be intended to be of comparable form, timing, commercial value and capped as appropriate. The quantum, form and structure of any buyout arrangement will be determined by the Committee taking into account the terms of the previous arrangement being forfeited. The buyout may be structured as an award of cash or shares, however, the Committee will normally have a preference for replacement awards to be made in the form of shares, deliverable no earlier than the previous awards.

Where an Executive Director is appointed from either within the Company or following corporate activity/reorganisation, the normal policy would be to honour any legacy incentive arrangements to run off in line with the original terms and conditions.

The policy on the recruitment of new Non-Executive Directors would be to apply the same remuneration elements as for the existing Non-Executive Directors.

### Executive Directors' Service Agreements

It is the Company's policy that Executive Directors have rolling service agreements. Peter Egan is employed under a service agreement dated 30 March 2018, as amended by a Variation Letter dated 21 December 2018 relating to his appointment to Chief Executive Officer from 1 January 2019. Yvonne Monaghan is employed under a service agreement dated 14 January 2004, as amended with the appointment to Chief Financial Officer on 31 August 2007.

The length of Board service as at 31 December 2024 for Peter Egan and Yvonne Monaghan was six years, nine months and seventeen years, four months respectively.

The current Executive Directors' service agreements contain the key terms shown in the table below:

| Provision | Detailed Terms |
|---|---|
| **Remuneration**[1] | ▪ base salary, pension and benefits<br>▪ car benefit<br>▪ family private health insurance<br>▪ life assurance<br>▪ 30 days' paid annual leave<br>▪ participation in the annual bonus plan, subject to plan rules<br>▪ participation in the LTIP, subject to plan rules |
| **Change Of Control** | ▪ no special contractual provisions apply in the event of a change of control |
| **Notice Period** | ▪ 12 months' notice from the Company<br>▪ 6 months' notice from the directors |
| **Termination**[2,3] | ▪ payment in lieu of notice for a period of up to 12 months |
| **Restrictive Covenants** | ▪ during employment and for a period of up to 12 months after leaving |

Note 1: Whilst service agreements outline the components of remuneration payable, they do not prescribe how remuneration levels may be adjusted from year to year.

Note 2: In the event of termination without cause, the Company has a contractual obligation to compensate the Executive Director for the unexpired period of his or her notice. The Company will seek to reduce this payment by means of the Executive Director's duty to mitigate this payment wherever possible.

Note 3: Whilst unvested awards will ordinarily lapse upon termination, the Committee may in its absolute discretion allow for awards to continue until the normal vesting date or to be accelerated (for example on death), subject to achievement of the attendant performance conditions. In such circumstances, awards vesting will normally be prorated on a time apportioned basis, unless the Committee determines otherwise. Any such discretion in respect of leavers would only be applied by the Committee to 'good leavers' where it considers that continued participation is justified, for example, by reference to performance prior to the date of leaving. 'Good leaver' status may apply in circumstances of, inter alia, cessation of employment due to death, ill-health, disability, redundancy or retirement. The malus and clawback provisions would continue to apply in the event that any such discretion was exercised.

## Chair's Service Agreement

The Chair has a fixed term appointment. The fee for the Chair, which is commensurate with his experience and contribution to the Group, is reviewed annually with any increase generally taking effect from 1 January. The Chair does not participate in decisions regarding his own remuneration. The Chair is not eligible for pension scheme membership, bonus or incentive arrangements. Costs in relation to business expenses and travel will be reimbursed. The Chair's appointment is terminable without compensation on three months' notice from either side.

The Chair is expected to devote such time as is necessary for the proper fulfilment of the role. Whilst this is not ordinarily expected to exceed 40 days per annum, the nature of the role makes it impossible to be specific about the maximum time commitment.

The Chair is encouraged, but is not required, to hold a personal shareholding in the Company.

As at 31 December 2024, the unexpired term of the Chair's letter of appointment was:

| | Date of Latest Letter of Appointment[1] | Term Start Date | Term End Date | Unexpired Term at 31 December 2024 |
|---|---|---|---|---|
| Jock Lennox | 23 November 2023 | 5 January 2024 | 4 January 2027 | 2 years |

Note 1: Jock Lennox was first appointed to the Board on 5 January 2021 pursuant to a letter of appointment dated 4 January 2021.

## Non-Executive Directors' Service Agreements

Non-Executive Directors each have fixed term appointments. Fees payable to the Non-Executive Directors, which are commensurate with their experience and contribution to the Group, are reviewed annually by the Board with any increase ordinarily taking effect on 1 January. Non-Executive Directors do not participate in decisions regarding their own remuneration. Non-Executive Directors are not eligible for pension scheme membership, bonus or incentive arrangements. Costs in relation to business expenses and travel will be reimbursed. A Non-Executive Director's appointment is terminable without compensation on three months' notice from the Company and one month's notice from the individual.

Non-Executive Directors are expected to devote such time as is necessary for the proper fulfilment of the role. Whilst this is not, ordinarily, expected to exceed 20 days per annum, the nature of the role makes it impossible to be specific about the maximum time commitment.

Non-Executive Directors are encouraged, but are not required, to hold a personal shareholding in the Company.

At 31 December 2024, the unexpired terms of the Non-Executive Directors letters of appointment were:

| | Date of Latest Letter of Appointment[1] | Term Start Date | Term End Date | Unexpired Term at 31 December 2024 |
|---|---|---|---|---|
| Chris Girling | 22 August 2024 | 29 August 2024 | 28 August 2027 | 2 years 8 months |
| Nicola Keach | 31 May 2022 | 1 June 2022 | 31 May 2025 | 5 months |
| Kirsty Homer | 13 July 2023 | 1 August 2023 | 31 July 2026 | 1 year 7 months |
| Nick Gregg | 24 August 2021 | 1 January 2022 | 31 December 2024 | – |

Note 1: Chris Girling was first appointed to the Board on 29 August 2018; Nicola Keach was first appointed to the Board on 1 June 2022; and Kirsty Homer was first appointed to the Board on 1 August 2023. Nick Gregg was first appointed to the Board on 1 January 2016. Upon completing nine years' service as an Independent Non-Executive Director, Nick Gregg stepped down as a Non-Executive Director and retired from the Board on 31 December 2024.

# Directors' Remuneration Report

## Annual Remuneration Report

### Single Total Figure of Remuneration (Audited)

| | Note | Peter Egan | | Yvonne Monaghan | |
|---|---|---|---|---|---|
| | | 2024 | 2023 | 2024 | 2023 |
| | | £000 | £000 | £000 | £000 |
| **FIXED PAY** | | | | | |
| Base Salary | | 473 | 457 | 355 | 343 |
| Taxable Benefits | 1 | 17 | 16 | 19 | 19 |
| Pension | 2 | 42 | 42 | 43 | 51 |
| | | 532 | 515 | 417 | 413 |
| **PERFORMANCE RELATED PAY** | | | | | |
| Bonus | 3 | 495 | 542 | 309 | 358 |
| LTIP | 3,4 | 567 | 154 | 374 | 101 |
| SAYE | 5 | 1 | – | 1 | – |
| | | 1,063 | 696 | 684 | 459 |
| **SINGLE TOTAL FIGURE OF REMUNERATION** | | **1,595** | **1,211** | **1,101** | **872** |

Note 1: Taxable benefits relate to the provision of a car allowance and private medical insurance. Peter Egan's car benefit for the year was £14,500 (2023: £14,500) and his private medical insurance benefit was £2,368 (2023: £1,659). Yvonne Monaghan's car benefit for the year was £17,500 (2023: £17,500) and her private medical insurance benefit was £1,895 (2023: £1,327).

Note 2: Details of the amounts shown for Pension are set out below.

Note 3: Details of the performance measures and weighting as well as the achieved results for the bonus and LTIP components are shown on pages 91 and 93 to 94 respectively. No bonus was deferred. The LTIP numbers in the table for 2024 reflect the indicative value of the shares which are due to vest in March 2025, based on performance measured up to 31 December 2024 and a share price of 145.67 pence, being the average price over the last three months of 2024. In respect of Peter Egan, £112,000 of the gain is attributable to share price appreciation over the performance period. In respect of Yvonne Monaghan, £74,000 of the gain is attributable to share price appreciation over the performance period.

Note 4: The 2023 comparative has been updated to reflect the share price on the date of vesting (22 March 2024: 130.40 pence).

Note 5: The amount disclosed for 2024 represents the value of the SAYE options which vested on 1 December 2024. The value has been calculated by reference to the difference between the exercise price of 125.75 pence and the market price on the vesting date of 144.0 pence.

### Pensions

Executive Directors are contractually entitled to receive retirement benefits, which are calculated on base salary, under one or more of the Group's contributory defined benefit or defined contribution schemes. Details of the schemes are given in note 26 of the Consolidated Financial Statements.

#### Defined Benefit Entitlement

Each Executive Director who served during the year has left active pensionable service in the Johnson Group Defined Benefit Scheme (the 'JGDBS'), which is of the defined benefit type, and is entitled to a preserved benefit.

The accrued pension entitlement, which is the amount that would be paid annually on retirement (at normal retirement age), for Peter Egan at 31 December 2024 was £15,300 (2023: £14,600) and allows for revaluation in deferment from the date of leaving to the date of calculation. Pension entitlement is calculated based on the total period of pensionable service to the Company, both before and after becoming a Director.

Yvonne Monaghan took a partial transfer of benefits from the JGDBS on 31 March 2012 and her date of retirement from the JGDBS was 16 September 2021.

#### Defined Contribution Entitlement – Peter Egan

From 1 January 2015, Peter became a deferred member of the JGDBS. From that date, he was contractually entitled to a monthly employer pension contribution, equal to up to 14 per cent of his monthly salary, which was paid to the JSG Pension Plan (the 'Plan'), a defined contribution scheme. The majority of UK employees within the Group are eligible to participate in the Plan. Employer contribution rates to the Plan are on a matching plus basis determined with reference to the employee's own pension contribution together with their salary banding. The employer contribution rate that is currently available to the majority of the wider UK workforce is approximately 6 per cent, whilst the maximum employer contribution is 14 per cent, based upon a 7 per cent employee contribution, for all UK employees currently earning an annual salary greater than or equal to £126,169. With effect from April 2019, Peter opted to receive a cash alternative allowance in lieu of an employer pension contribution. From that date, the cash alternative allowance payable to Peter was 12.3 per cent of his base salary – adjusted downwards from the 14 per cent referred to above in order to take account of the impact of employer's national insurance.

Had Peter received a cash alternative allowance for the whole of 2019, it would have equated to £41,613. As previously disclosed, having regard to developments in executive pensions and in order that the employer rate in respect of Peter progresses towards the rate available to the majority of the wider workforce, the Committee determined that Peter's entitlement in 2020 and thereafter would be capped at the cash value of his 2019 cash alternative entitlement. The effect of this is that as Peter's salary increases, his cash alternative allowance, as a percentage of salary, will progress towards that available to the majority of the wider workforce. The cash alternative allowance payable in the year was £41,613 (2023: £41,613), equating to a contribution rate of 8.8 per cent of his salary (2023: 9.1 per cent).

### Defined Contribution Entitlement – Yvonne Monaghan

From 1 January 2012, Yvonne opted to become a deferred member of the JGDBS and was contractually entitled to receive a monthly cash alternative allowance equal to 17.8 per cent of her monthly salary. As previously disclosed, and as noted in the letter from the Chair of the Remuneration Committee, the pension contribution rate for Yvonne reduced to 15 per cent of her base salary with effect from 1 January 2023; then reduced to 12 per cent of her base salary with effect from 1 January 2024; and then reduced to 9 per cent of her base salary with effect from 1 January 2025. The cash alternative allowance payable in the year was £42,568 (2023: £51,410).

## 2024 Bonus Achievement

The annual bonus is normally earned by the achievement of one-year performance targets set by the Committee, ordinarily at the start of each financial year, adjusted accordingly to take account of events which were not foreseen or allowed for at the start of the year when targets were set, for example, acquisitions or changes in accounting policy.

For 2024, whilst the vast majority (85 per cent) of the bonus opportunity was based on the Group's adjusted PBT result, measured over the financial year, a number of specific and measurable sustainability targets were applied to a minority portion (15 per cent) of the bonus.

The performance targets for 2024 are as set out below:

| | Minimum £m | Target £m | Maximum £m | Achieved £m | Bonus Achieved as % of Maximum Opportunity |
|---|---|---|---|---|---|
| Adjusted PBT (excluding notional interest) | 47.8 | 51.7 | 59.4 | 54.8 | 70.3% |

For the 15 per cent of the bonus based on sustainability, the targets and the performance achieved are set out in the table below.

| Target | Weighting | Minimum | Maximum | Achievement | Bonus Achieved as % of Maximum Opportunity |
|---|---|---|---|---|---|
| **Carbon Emissions**<br>3% Reduction on 2023 Carbon Emissions intensity<br>• 2024 Tonnes $CO_2e$/ Tonnes processed target: 0.308 | 5% | Reduction of 3% | Reduction greater than 3% | Reduction of 4.93% | 100% |
| **Water Consumption**<br>2% Reduction on 2023 Water intensity<br>• 2024 $m^3$/ Tonnes processed target: 7.105 | 5% | Reduction of 2% | Reduction greater than 2% | Reduction of 7.61% | 100% |
| **Plastic**<br>10% Reduction on total volume of plastic purchased versus 2023 baseline<br>• 2024 Tonnes purchased target: 858 | 5% | Reduction of 10% | Reduction greater than 10% | Deemed not achieved | 0% |
| **Total** | **15%** | | | | **66.7%** |

The Committee believes that these targets were appropriately stretching in the context of expected levels of performance for the business over 2024. Performance against the targets was assessed after the end of the financial year and this resulted in a bonus outcome as set out in the tables above. The overall bonus, inclusive of both the financial and sustainability measures, was assessed at 69.75 per cent of maximum. The Committee felt that this represented a strong result in the wider market context and was a fair reflection of the Company's overall performance over the period both in terms of profit performance and against the set of sustainability measures used for incentive purposes.

Bonuses will be paid in cash and are subject to malus and clawback provisions.

# Directors' Remuneration Report

## Annual Remuneration Report

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### Interests In Share Capital

The interests of the Directors who were in office at 31 December 2024, together with the interests of their close family, in the shares of the Company at the start and close of the financial year, were as follows:

| | Beneficial | | Conditional (note 4) | | |
|---|---|---|---|---|---|
| | 31 December 2024 Ordinary shares of 10p each | 31 December 2023 Ordinary shares of 10p each | 31 December 2024 LTIP / SAYE options | 31 December 2023 LTIP / SAYE options | Share ownership guidelines |
| Peter Egan | **449,061** | 384,061 | **1,521,984** | 1,107,263 | Note 1 |
| Yvonne Monaghan (note 3) | **694,955** | 694,955 | **1,006,368** | 742,291 | Note 1 |
| Jock Lennox | **72,000** | 72,000 | **–** | – | Note 2 |
| Chris Girling | **17,333** | 17,333 | **–** | – | Note 2 |
| Nick Gregg | **33,695** | 33,695 | **–** | – | Note 2 |
| Nicola Keach | **–** | – | **–** | – | Note 2 |
| Kirsty Homer | **–** | – | **–** | – | Note 2 |

Note 1: Executive Directors are expected to build up and maintain a personal shareholding in the Company equal to at least 200 per cent of their base salary. Further details of each Executive Director's personal shareholding are set out in the table below.

Note 2: Non-Executive Directors are encouraged, but are not required, to hold a personal shareholding in the Company.

Note 3: In addition to the beneficial and conditional interests shown above, Yvonne Monaghan is a Trustee of the Johnson Charitable Trust (the 'Trust'). The Trust, having originally been founded in 1927, is intended for the benefit of employees or former employees of the Company, its associated companies or a company that was historically a subsidiary of the Company or the respective spouses, widowed spouses, children or other dependants of such employees or former employees. The Trust owns 588,452 Ordinary shares of 10 pence each in the Company. The Company considers this to be a Non-Beneficial interest.

Note 4: Further details of the split between LTIP (with performance conditions attached) and SAYE (no performance conditions attached) options are set out below.

Note 5: There have been no changes in the Directors' interests in the shares of the Company during the period 31 December 2024 up until the date of signing this report.

| | Beneficial Shareholding (No.) | Conditional Shareholding[1] (No.) | Deemed Shareholding (No.) | Share Price[2] (p) | Value of Deemed Shareholding (£000) | Base Salary[2] (£000) | Value of Deemed Shareholding as a % of Base Salary |
|---|---|---|---|---|---|---|---|
| Peter Egan | 449,061 | 69,329 | 518,390 | 135.6 | 703 | 473 | 149% |
| Yvonne Monaghan | 694,955 | 48,140 | 743,095 | 135.6 | 1,008 | 355 | 284% |

Note 1: Vested shares, that are not subject to further performance conditions, which have not yet been exercised can count towards the shareholding requirement on a net of tax basis.

In respect of Peter Egan, the 117,723 options granted on 22 March 2021 under the 2018 LTIP Scheme which vested in March 2024 are not subject to any further performance conditions and consequently, on a net of tax basis, represent a further 62,393 shares. In addition, as disclosed on page 93, the 6,936 options granted on 1 October 2021 under the SAYE Scheme vested on 1 December 2024. In combination, these options represent the Conditional Shareholding set out above. The 389,080 options granted on 16 March 2022 under the 2018 LTIP Scheme are not subject to any further performance conditions and consequently, on a net of tax basis, represent a further 206,212 shares. However, these options are not included in the Conditional Shareholding above as they will not vest until 16 March 2025. Had they been included, the resulting percentage for Peter Egan would be 208%.

In respect of Yvonne Monaghan, the 77,743 options granted on 22 March 2021 under the 2018 LTIP Scheme which vested in March 2024 are not subject to any further performance conditions and consequently, on a net of tax basis, represent a further 41,204 shares. In addition, as disclosed on page 93, the 6,936 options granted on 1 October 2021 under the SAYE Scheme vested on 1 December 2024. In combination, these options represent the Conditional Shareholding set out above. The 256,945 options granted on 16 March 2022 under the 2018 LTIP Scheme are not subject to any further performance conditions and consequently, on a net of tax basis, represent a further 136,181 shares. However, these options are not included in the Conditional Shareholding above as they will not vest until 16 March 2025. Had they been included, the resulting percentage for Yvonne Monaghan would be 336%.

Note 2: Share price and base salary are as at 31 December 2024.

Whilst Peter Egan is currently below the 200% shareholding requirement, having regard to the lack of significant levels of LTIP vesting over the last few years; the fact that Peter Egan has purchased shares out of his own resources during the five-year measurement period; and the fact that the 389,080 options granted to him on 16 March 2022 under the 2018 LTIP Scheme are due to vest in March 2025 and will not be subject to any further performance conditions, the Committee is satisfied with his level of personal shareholding. This will be kept under annual review.

## Beneficial Interests in Share Options (Audited)

The interests of the Directors, who have served during the year, in share options of the Company at the commencement (or date of appointment if later) and close (or date of resignation if earlier) of the financial year were as follows:

| | Date of Grant | At 31 December 2023 | Options Granted During Year | Options Lapsed During Year | Options Cancelled During Year | Options Exercised During Year | At 31 December 2024 | Option Price |
|---|---|---|---|---|---|---|---|---|
| **Peter Egan** | | | | | | | | |
| Scheme 1 | 22 March 2021 | 117,723 | – | – | – | – | **117,723** | nil |
| Scheme 3 | 1 October 2021 | 6,936 | – | – | – | – | **6,936** | 129.75p |
| Scheme 1 | 16 March 2022 | 469,029 | – | (79,949) | – | – | **389,080** | nil |
| Scheme 1 | 8 March 2023 | 487,934 | – | – | – | – | **487,934** | nil |
| Scheme 2 | 8 March 2023 | 25,641 | – | – | – | – | **25,641** | 117.0p |
| Scheme 1 | 7 May 2024 | – | 474,590 | – | – | – | **474,590** | nil |
| Scheme 2 | 7 May 2024 | – | 20,080 | – | – | – | **20,080** | 149.40p |
| | | **1,107,263** | **494,670** | **(79,949)** | **–** | **–** | **1,521,984** | |
| **Yvonne Monaghan** | | | | | | | | |
| Scheme 1 | 22 March 2021 | 77,743 | – | – | – | – | **77,743** | nil |
| Scheme 3 | 1 October 2021 | 6,936 | – | – | – | – | **6,936** | 129.75p |
| Scheme 1 | 16 March 2022 | 309,743 | – | (52,798) | – | – | **256,945** | nil |
| Scheme 1 | 8 March 2023 | 322,228 | | – | – | – | **322,228** | nil |
| Scheme 2 | 8 March 2023 | 25,641 | | – | – | – | **25,641** | 117.0p |
| Scheme 1 | 7 May 2024 | – | 296,795 | – | – | – | **296,795** | nil |
| Scheme 2 | 7 May 2024 | – | 20,080 | – | – | – | **20,080** | 149.40p |
| | | **742,291** | **316,875** | **(52,798)** | **–** | **–** | **1,006,368** | |

Scheme 1 - The Johnson Service Group 2018 Long-Term Incentive Plan (the '2018 LTIP Scheme')

Scheme 2 - The Johnson Service Group 2018 Long-Term Incentive Plan CSOP Section (the '2018 Approved LTIP Scheme')

Scheme 3 - The Johnson Service Group Sharesave Plan ('SAYE Scheme')

None of the terms or conditions of the share options were varied during the year.

Details of the 2018 LTIP, the 2018 Approved LTIP and the SAYE Scheme are given on pages 95 to 96 of the Directors' Remuneration Report.

## Awards Exercised in 2024

No Director exercised any awards during 2024.

## Awards Vested and Lapsed in 2024

Under the 2018 LTIP Scheme, awards were granted to certain employees on 16 March 2022 with an exercise price of £nil (the '2022 LTIP Award'). The closing mid-market share price of Johnson Service Group PLC on the day immediately preceding the date of grant was 117.6 pence.

The number of options granted to each of the Executive Directors was as follows:

| | 2018 LTIP Scheme |
|---|---|
| Peter Egan | 469,029 |
| Yvonne Monaghan | 309,743 |

The number of options granted to each of Peter Egan and Yvonne Monaghan were equivalent to 125 per cent and 110 per cent, respectively, of their base salaries at the time. The performance period was the three financial years starting 1 January 2022 and ending 31 December 2024.

# Directors' Remuneration Report

## Annual Remuneration Report

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Whilst the award does not vest until 16 March 2025, the performance period ended on 31 December 2024. The extent to which the performance conditions were met is set out below:

| | Minimum Target | Maximum Target | Result | % of Award Vesting | No. of Options to Vest (Peter Egan) | No. of Options to Vest (Yvonne Monaghan) |
|---|---|---|---|---|---|---|
| EPS for 2024 | 9.5p | 10.6p | 10.1p | 65.9% | 154,566 | 102,074 |
| TSR (over Index) | Index +0% p.a. | Index +7% p.a. | Index +11% p.a. | 100.0% | 234,514 | 154,871 |
| | | | | | **389,080** | **256,945** |

The EPS performance condition was based on the Company's adjusted diluted EPS from continuing operations as at 31 December 2024. The TSR performance condition was based on the annualised growth in the Company's TSR over the performance period relative to the annualised growth in the FTSE AIM All-Share Industrial Goods and Services net return index (the 'Index').

Based on the performance achieved as set out above, the Remuneration Committee determined that there would be partial vesting of the 2022 LTIP Award. The Committee was satisfied that the TSR and EPS achieved were aligned with the underlying financial performance of the Company over the performance period. The total vesting level for the 2022 LTIP Award was 83.0 per cent. No discretion was applied to this outcome.

### Outstanding LTIP Awards

#### 2023 LTIP Award

Awards were granted, under the 2018 LTIP Scheme, to certain employees on 8 March 2023 with an exercise price of £nil. In addition, linked awards were granted on the same date, under the 2018 Approved LTIP Scheme, with an exercise price of 117.0 pence. The closing mid-market share price of Johnson Service Group PLC on the day immediately preceding the date of grant was 117.0 pence.

The number of options granted to each of the Executive Directors was as follows:

| | 2018 LTIP Scheme | 2018 Approved LTIP Scheme |
|---|---|---|
| Peter Egan | 487,934 | 25,641 |
| Yvonne Monaghan | 322,228 | 25,641 |

The number of options under the 2018 LTIP Scheme to each of Peter Egan and Yvonne Monaghan were equivalent to 125 per cent and 110 per cent, respectively, of their base salaries at the time. The performance period is the three financial years starting 1 January 2023 and ending 31 December 2025. The performance conditions are as set out below within 'Overview of Share Option Schemes'. If the minimum performance criteria were to be achieved, 25 per cent of the scheme interests would become receivable.

#### 2024 LTIP Award

Awards were granted, under the 2018 LTIP Scheme, to certain employees on 7 May 2024 with an exercise price of £nil. In addition, linked awards were granted on the same date, under the 2018 Approved LTIP Scheme, with an exercise price of 149.4 pence. The closing mid-market share price of Johnson Service Group PLC on the day immediately preceding the date of grant was 149.4 pence.

The number of options granted to each of the Executive Directors was as follows:

| | 2018 LTIP Scheme | 2018 Approved LTIP Scheme |
|---|---|---|
| Peter Egan | 474,590 | 20,080 |
| Yvonne Monaghan | 296,795 | 20,080 |

The number of options under the 2018 LTIP Scheme to each of Peter Egan and Yvonne Monaghan were equivalent to 150 per cent and 125 per cent, respectively, of their base salaries at the time. The performance period is the three financial years starting 1 January 2024 and ending 31 December 2026. The performance conditions are as set out below within 'Overview of Share Option Schemes'. If the minimum performance criteria were to be achieved, 25 per cent of the scheme interests would become receivable.

#### Holding Period

Each of the awards above are subject to an additional holding period for two years from the date on which the award vests (the 'Holding Period'). During the Holding Period, which will continue to apply in the event of cessation of employment, the award holder may not normally dispose of any of the shares which vest except to cover any income tax or social security contributions arising on the exercise of the award.

## Overview of Share Option Schemes

### 2018 LTIP Scheme

The 2018 LTIP Scheme was approved by Shareholders at the 2018 AGM; a summary of the principal features of the rules of the 2018 LTIP Scheme is included within the 2018 Notice of AGM.

The 2018 LTIP Scheme includes an 'unapproved' section, under which nil cost awards are made.

The first award under the 2018 LTIP Scheme was granted in March 2019, with further awards granted on an annual basis thereafter. Full details of the performance conditions for each outstanding award are included in this report. Details of the performance conditions for earlier awards and the extent to which the conditions were met can be found in previous Directors' Remuneration Reports.

### Performance Conditions

An award was granted under the 2018 LTIP Scheme in March 2022 (the '2022 LTIP Award'). A summary of the performance conditions for this award is included in the section above which explains the performance achieved against the relevant targets.

A further award was granted under the 2018 LTIP Scheme in March 2023 (the '2023 LTIP Award'). Following careful consideration, the Committee agreed two separate performance targets:

- 50 per cent of the 2023 LTIP Award will vest by reference to the annualised growth in the Company's TSR over the performance period relative to the annualised growth in the FTSE AIM All-Share Industrial Goods and Services Index (the 'Index') over the performance period. None of this element of the 2023 LTIP Award will vest if the TSR growth is less than the Index growth, one quarter will vest if the TSR growth is equal to the Index growth and the whole of this element of the 2022 LTIP Award will vest if the TSR growth is at least seven per cent above the Index growth. Vesting will be on a straight-line basis between these points.
- The remaining 50 per cent of the 2023 LTIP Award will vest by reference to the Company's adjusted profit before tax ('PBT') per share as at 31 December 2025. None of the PBT per share element of the 2023 LTIP Award will vest if PBT per share growth is less than 5 per cent per annum above the level of PBT per share for the financial year ended 31 December 2022. One quarter of this element will vest for PBT per share growth of 5 per cent per annum, and the whole of this element will vest for PBT per share growth of 10 per cent per annum or greater. Vesting will be on a straight-line basis if PBT per share growth is between 5 per cent and 10 per cent per annum.

For the purpose of calculating TSR and Index growth, the average of the net return index over the dealing days falling in the period of one month ending on the last day of the performance period will be compared to the average of the net return index over the dealing days falling in the period of one month immediately preceding the first day of the performance period, in each respect of the Company and for the Index.

A further award was granted under the 2018 LTIP Scheme in May 2024 (the '2024 LTIP Award'). Following careful consideration, the Committee agreed two separate performance targets:

- 50 per cent of the award to vest by reference to the Company's TSR performance relative to that of the constituents of the FTSE 250 ex. Investment Trusts Index (the 'Comparator Group') over the performance period. None of this element will vest if the Company's TSR positions it below the median of the Comparator Group, one quarter will vest if the Company's TSR is equal to the median of the Comparator Group and the whole of this element will vest if the Company's TSR is at the upper quartile level or above when compared to the Comparator Group. Vesting will be on a straight-line basis between median and upper quartile.
- The remaining 50 per cent of the 2024 LTIP Award will vest by reference to growth in the Company's adjusted fully diluted earnings per share from continuing operations ('EPS') over the Performance Period above the level of EPS achieved in the financial year ended 31 December 2023. None of this element of the award will vest if EPS growth (on a CAGR basis) is less than 9 per cent per annum over the performance period; one quarter will vest for EPS growth of 9 per cent per annum; and the whole of this element will vest if EPS growth is 16 per cent per annum or greater over the performance period. Vesting will be on a straight-line basis between these points.

### 2018 Approved LTIP Scheme

The rules of the 2018 LTIP Scheme also include a 'CSOP' section (the '2018 Approved LTIP Scheme'), under which UK tax-advantaged market value options are awarded and which are linked to the nil cost awards under the 2018 LTIP Scheme. The linked awards give the holder the same potential gross gain as if they had just received the 2018 LTIP Scheme award, however, as the 2018 Approved LTIP Scheme is tax favoured, in certain circumstances all or part of any gain on the 2018 LTIP Scheme award will be received through the 2018 Approved LTIP Scheme and therefore taxed at a lower rate, or even zero.

The actual number of shares the award holder will receive when exercising options will depend on the date of exercise, whether the performance conditions of the 2018 LTIP Scheme are achieved, the extent to which they are achieved and also on how much of the gain (if any) can be delivered through the 2018 Approved LTIP Scheme. Part of the total award will be forfeited once the gain is determined, however, this will still leave the holder with the same gross gain that would have been received had only an award been made under the 2018 LTIP Scheme arrangement.

As set out above, on 8 March 2023 and 7 May 2024 certain employees (including the Executive Directors) were granted awards under the 2018 Approved LTIP Scheme, linked to the awards granted on the same date under the 2018 LTIP Scheme.

### SAYE Scheme

The SAYE Scheme is open to all employees, including Executive Directors, who have completed one years' continuous service at the date of invitation (reduced from two years' continuous service for grants prior to 2024) and who open an approved savings contract.

## Annual Remuneration Report

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When the savings contract is started, options are granted to acquire the number of shares that the total savings will buy when the savings contract matures. Details of the exercise periods and normal expiry dates are given in note 29 of the Consolidated Financial Statements.

### Total Shareholder Return

The performance graph below shows the Company's TSR performance against the performance of the FTSE 250 ex. Investment Trusts Index over the ten-year period to 31 December 2024. The Index has been selected for this comparison as, in the opinion of the Directors, although the Group is not a member of the FTSE 250, it shares many characteristics with companies in the index in terms of size, scale and maturity, and the index provides an appropriate market barometer against which the Group's performance can be tested.


### Non-Executive Directors' Remuneration (Audited)

Details of the amounts received by the Chair and the Non-Executive Directors during the year ended 31 December 2024 are as follows:

| | 2024 £000 | 2023 £000 |
|---|---|---|
| **Current Directors** | | |
| Jock Lennox | 156 | 151 |
| Chris Girling | 71 | 63 |
| Kirsty Homer[1] | 52 | 20 |
| Nicola Keach | 51 | 49 |
| Previous Directors | | |
| Nick Gregg[2] | 61 | 57 |
| | **391** | **340** |

Note 1: The 2024 figure in the above table for Kirsty Homer includes her pro-rated receipt of the £10,000 per annum supplementary fee for the Chair of the Remuneration Committee following her appointment as Remuneration Committee Chair with effect from 1 November 2024. In 2023, the annualised fee payable to Kirsty Homer was £49,042; the 2023 figure in the above table reflects the total amount of fees received by Kirsty Homer in 2023 following her appointment with effect from 1 August 2023.

Note 2: As previously disclosed, as part of the Company's planned Board succession, with effect from 1 November 2024, Nick Gregg stepped down as Remuneration Committee Chair and was succeeded by Kirsty Homer. To support transition and handover of responsibilities to Kirsty Homer, Nick continued to receive the £10,000 per annum supplementary fee for the Chair of the Remuneration Committee until 31 December 2024 whereupon Nick stepped down and retired from the Board, having completed nine years' service as an independent Non-Executive Director of the Company.

Non-Executive Director fees are subject to annual review with any increases generally applying with effect from 1 January. The Board has approved a 2.5 per cent increase to base fees for Non-Executive Directors with effect from 1 January 2025. The Remuneration Committee has also agreed a 2.5 per cent increase to the fee for the Board Chair with effect from the same date.

## Total Directors' Remuneration (Audited)

The aggregate total amount of remuneration received by all Directors in office during the year ended 31 December 2024, together with the aggregate total amount of remuneration received by all Directors in office during the year ended 31 December 2023, is shown below:

| | 2024 £000 | 2023 £000 |
|---|---|---|
| Executive Directors | 2,696 | 2,083 |
| Non-Executive Directors | 391 | 340 |
| | **3,087** | **2,423** |

## Payments to Past Directors

Nick Gregg, former Non-Executive Director, stepped down as a Non-Executive Director and retired from the Board with effect from 31 December 2024. Save for the payment of any accrued fees and / or expenses that were unpaid as at 31 December 2024, there were no payments of money or other assets made to any former directors during the financial year ended 31 December 2024.

## Payments for Loss of Office

There were no loss of office payments made to former directors during the year.

## Implementation of Remuneration Policy in 2025

The Committee anticipates the remuneration policy to apply as follows in the year ending 31 December 2025:

| | |
|---|---|
| **Base Salary[1]** | CEO: £484,509<br>CFO: £363,598 |
| **Taxable Benefits** | Car allowance, medical insurance |
| **Pension** | CEO: Capped at the cash value of 2019 entitlement (£41,613)<br>CFO: 9 per cent of base salary |
| **Bonus[2]** | CEO: Up to 150 per cent of base salary.<br>CFO: Up to 125 per cent of base salary.<br><br>Targets:<br>1) 76.5 per cent of maximum entitlement to be based on the Group's financial results using the adjusted PBT result excluding notional interest;<br>2) 8.5 per cent of maximum entitlement to be subject to the satisfaction of performance targets linked to margin improvement; and<br>3) to reflect our continued commitment to sustainability, 15 per cent of maximum entitlement to be subject to the satisfaction of targets linked to plastic consumption, water consumption and carbon emission reductions. |
| **LTIP[1]** | CEO: Grant at 150 per cent of base salary.<br>CFO: Grant at 125 per cent of base salary.<br><br>Targets:<br>1) 50 per cent of the award to be based on the Company's TSR performance relative to that of the constituents of the FTSE 250 ex. Investment Trusts Index over the performance period. None of this element will vest if the Company's TSR positions it below the median of the comparator group, one quarter will vest if the Company's TSR is equal to the median of the group and the whole of this element will vest if the Company's TSR is at the upper quartile level or above when compared to the peer group. Vesting will be on a straight-line basis between median and upper quartile.<br>2) The remaining 50 per cent of the award will vest by reference to growth in the Company's adjusted fully diluted EPS over the three-year performance period. None of this element will vest if EPS growth (on a CAGR basis) is less than 9% p.a., one quarter will vest if EPS growth is equal to 9% p.a. and the whole of this element will vest if EPS growth is 16% p.a. or greater. Vesting will be on a straight-line basis if EPS growth is between 9% p.a. and 16% p.a. |

Note 1: Base salary payable in 2025 reflects a 2.5 per cent increase on the base salary payable in 2024.

Note 2: Annual bonus targets are considered by the Committee and the Board to be commercially sensitive as they could inform the Company's competitors of its budgeting. Consequently, we do not publish details of the targets on a prospective basis, however, we will provide full and transparent disclosure of the targets and the performance against these targets on a retrospective basis in next year's Annual Report at the same time that the bonus outcome is reported.

# Directors' Remuneration Report

## Annual Remuneration Report

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### CEO Pay Ratio

The Companies (Miscellaneous Reporting) Regulations 2018 provide companies with a number of options for gathering the data required to calculate the ratio. We have chosen to use "Option B" to calculate the CEO pay ratio which involves the use of data previously gathered for UK gender pay gap reporting purposes. This option was chosen given the size and complexity of the exercise required to produce these ratios using other means and on the basis that the Company has already completed comprehensive data collation and analysis for the purposes of its UK gender pay gap reporting.

The total pay and benefits of our UK employees at the 25th, 50th and 75th percentile and the ratios between the CEO and these employees, using the CEO's single total remuneration figure are as follows:

| | 25th percentile pay ratio | 50th percentile pay ratio | 75th percentile pay ratio |
|---|---|---|---|
| **2024** | **65:1** | **63:1** | **43:1** |
| 2023 | 49:1 | 45:1 | 32:1 |
| 2022 | 32:1 | 25:1 | 19:1 |
| 2021 | 33:1 | 31:1 | 28:1 |
| 2020 | 23:1 | 19:1 | 16:1 |
| 2019 | 46:1 | 31:1 | 26:1 |

The table below sets out the salary and total pay and benefits for the three identified quartile point employees:

| | 25th percentile pay ratio | 50th percentile pay ratio | 75th percentile pay ratio |
|---|---|---|---|
| 2024 Salary | £23,287 | £23,451 | £35,913 |
| 2024 Total Pay and Benefits | £24,590 | £25,238 | £37,472 |

As explained in previous reports, our pay ratios have fluctuated between each reported year to date (not least due to the impact of the Covid pandemic on employee remuneration) and no overall trend in the median pay ratio is observed at this time.

The majority of our employees work either within one of our processing facilities or in distribution. Irrespective of the specific role, we aim to apply the same reward principles for all employees, in particular, that overall remuneration should be competitive when compared to similar roles in other organisations from which we draw our talent. We are aware that year-to-year movements in the pay ratio will be driven largely by our CEO's variable pay outcomes. These movements will significantly outweigh any other changes in pay within the organisation. Whatever the CEO pay ratio, the Company will continue to invest in competitive pay for all employees.

The Committee also recognises that, due to the specific nature of the Company's business and the flexibility permitted within the regulations for identifying and calculating the total pay and benefits for employees, as well as differences in employment and remuneration models between companies, the ratios reported above may not be comparable to those reported by other companies.

### UK Gender Pay Gap Reporting

#### Background

Under legislation that came into force in 2017, all UK companies with 250 or more employees must publish and report specific figures about their gender pay gap. In respect of the Group, the legislation applies to Johnsons Textile Services Limited (the "Reporting Company") which for the period under review employed the vast majority of employees within the UK. Whilst a similar reporting requirement also applies within the Republic of Ireland, the below disclosures are in respect of the UK reporting requirements only.

Employers must publish the gap in pay between men and women on both a mean basis (average hourly salary) and a median basis (pay per hour based on the person 'in the middle' of the distribution of pay). In relation to bonus pay, employers are required to disclose both a mean and median basis for average bonus pay received. Furthermore, the percentage of employees receiving bonuses by gender must be disclosed. In addition, employers are required to disclose the distribution of gender by pay quartile – in other words, splitting the workforce into four groups based on their pay and showing the proportion of males and females in each group.

The information provided below reflects the results of the most recent comprehensive data collation and analysis for the purposes of our external gender pay gap reporting. The 'Gender Pay Gap' calculations relate to the pay period in which the snapshot date, 5 April 2024, falls for each full-pay relevant employee only. The 'Gender Bonus Gap' calculations relate to the period 6 April 2023 to 5 April 2024 for all relevant employees.

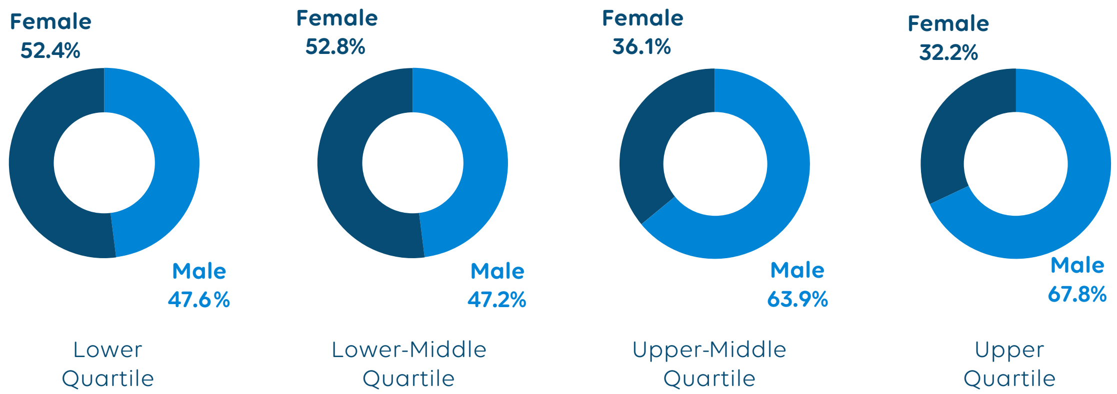
### Gender Pay Gap
The Company provides the following information in respect of its Gender Pay Gap:

| | |
|---|---|
| Difference in the hourly rate of pay (mean) | 7.6% |
| Difference in the hourly rate of pay (median) | 6.5% |

### Gender Bonus Gap
The Company provides the following information in respect of its Gender Bonus Gap:

| | |
|---|---|
| Difference in bonus pay (mean) | 36.8% |
| Difference in bonus pay (median) | 0.0% |
| Percentage of male employees who receive bonus pay | 12.0% |
| Percentage of female employees who receive bonus pay | 15.3% |

### Distribution of Male and Female Employees by Quartile
The proportions of male and female full-pay relevant employees in the lower, lower-middle, upper-middle and upper quartile bands were as follows:




### Explanatory Commentary
The results show that, as in previous years, there is a gender pay gap. Whilst having fewer females than males in senior and leadership roles has an impact, it is also significantly influenced by two industry related factors:

1. laundries operate large transport fleets and hence employ a significant number of drivers. The role generally commands a higher pay scale and is predominantly populated by males; and
2. laundry operations are very labour intensive with such roles being predominantly in the lower quartiles. A higher proportion of these roles are currently performed by females.

The Group strives to ensure that it provides a workplace where all our people feel valued and equal and we continue to take action to address the gap and to make sure our employment policies and practices are fair. This includes actively reviewing decisions around annual pay, bonus pay and promotion opportunities and the Group will continue to endeavour to provide a training and development platform for all individuals to grow, both personally and in their work role, irrespective of gender.

## Relative Importance of Spend on Pay
The following table sets out the amounts payable in dividends; amounts paid in connection with the Company's share buyback programmes; and total employee costs in respect of the years ended 31 December 2024 and 31 December 2023. The Committee does not consider that there are any other significant distributions or payments outside the ordinary course of business that warrant disclosure.

| | 2024 £m | 2023 £m | % Change |
|---|---|---|---|
| Dividends payable[1] | 16.6 | 11.7 | 41.9% |
| Share buyback programme[2] | – | 29.9 | n/a |
| Total employee costs | 229.0 | 204.7 | 11.9% |

Note 1: The 2024 dividend comprises an interim dividend of 1.3 pence (2023: 0.9 pence) per Ordinary share and a proposed final dividend of 2.7 pence (2023: 1.9 pence) per Ordinary share. This total dividend of 4.0 pence per Ordinary share, subject to the approval of Shareholders and based upon the number of shares in issue as at the date of this report, will amount to a dividend distribution for the year of £16.6 million (2023: £11.7 million).

Note 2: Details of the share buyback programmes undertaken during the previous year are set out on page 113 of the Group's 2023 Annual Report and Accounts.

# Directors' Remuneration Report

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### Other Details

The mid-market price of the Ordinary shares of 10p each on 31 December 2024 and 31 December 2023 was 135.6 pence and 141.6 pence, respectively. During the year, the mid-market price of the Ordinary shares of 10p each ranged between 122.0 pence and 171.2 pence (2023: 94.0 pence and 145.4 pence).

### Annual General Meeting

The table below shows the voting outcome at the 2024 AGM, held on 1 May 2024, for the 2023 Directors' Remuneration Report.

| No. of Votes 'For'[1] | % of Votes Cast | No. of Votes 'Against' | % of Votes Cast | Total No. of Votes Cast | No. of Votes 'Withheld'[2] |
|---|---|---|---|---|---|
| 245,645,785 | 85.71% | 40,942,618 | 14.29% | 286,588,403 | 14,445 |

Note 1: Includes 'Discretionary' votes.

Note 2: A vote 'Withheld' is not a vote under English law and is not counted in the calculation of votes 'For' or 'Against' a resolution.

At the 2025 AGM, due to be held on 1 May 2025, Shareholders will be invited to vote on the Directors' Remuneration Report for 2024.

**Kirsty Homer**
Chair, Remuneration Committee

3 March 2025