

# Audit Committee Report

## Letter from Chris Girling, Chair of the Audit Committee

### Dear Shareholder.

On behalf of the Board, I am pleased to present the Audit Committee's Report for the financial year ended 31 December 2024.

#### The Year in Review

The Audit Committee continued to fulfil its duties throughout the year, maintaining oversight of the integrity of the Company's financial reporting, key accounting judgments and related disclosures, and the robustness of the Group's risk management and internal control systems. In discharging its duties, the Committee works to a structured agenda closely linked to the events in the Company's reporting cycle.

I am pleased to report that the Group's risk and financial management structures have operated effectively during the year under review. The continued support, constructive engagement and level of responsiveness of my Committee colleagues and management have enabled the Committee to fulfil its role in providing effective scrutiny and challenge. In this regard, I would like to thank colleagues across the Group who assisted the Committee during the year for their support.

As in previous years, the Committee's primary focus was on the integrity of the Group's financial reporting activities. In considering the financial statements for 2024, the Committee concentrated on the key accounting judgments and disclosures relating to the financial statements, with careful consideration given to the Group's viability disclosures and its ability to continue as a going concern, with particular scrutiny being given to the reports prepared and assumptions used by management to support those statements. The Committee concluded that the Company had adopted an appropriate approach in all significant areas.

For the first time, certain of the Group's non-financial sustainability related data in the 2024 Annual Report and Accounts has received limited third-party assurance from an independent third party. The independent assurance statement can be found on page 42.

At the request of the Board, the Committee also considered the Group's Principal Risks and Uncertainties disclosures for the financial year ended 31 December 2024. The Committee is satisfied that the statements made by executive management on pages 43 to 49 of this Annual Report are appropriate based on what is currently known to management as at the date of this Report.

In the pages that follow, we have sought to provide shareholders and other stakeholders with details of the work that was undertaken by the Committee during the year. This has enabled the Committee to provide assurance to the Board on the effectiveness of the internal controls framework and the integrity of the Group's 2024 Annual Report and financial statements.

#### Evaluation of the Competence and Effectiveness of the Committee

Each year, as part of an overall review of the Board and its Committees, the Audit Committee critically reviews its own performance and considers where improvements can be made. In so doing it considers, amongst other things, those matters discussed by the Audit Committee, such as:

- composition, structure and activities;
- how well the Committee oversees the financial reporting process;
- its review of the work of the external auditor;
- the effectiveness of the process for raising concerns;
- its monitoring of the management of risk;
- how well it understands and evaluates the effectiveness and conclusions of internal control and the adequacy of the related disclosures;
- whether the Committee's terms of reference are appropriate for the particular circumstances of the Company and comply with prevailing legislation and best practice;
- whether the number and length of time of Committee meetings are sufficient to meet the role and responsibilities of the Committee and coincide with key dates within the financial reporting and audit cycle; and
- identification of additional training needs for Committee members.

Overall, the performance of the Committee continued to be rated highly and the Committee was considered to have discharged its duties effectively. By virtue of my former executive and non-executive roles (full details of which are set out on page 53), together with the results of the above evaluation, the Board considers that I have recent and relevant financial experience. The Board further concluded that the Committee, as a whole, has sufficient competence relative to the sector in which the Company operates.

#### The Year Ahead

The Audit Committee fulfils a key role in assisting the Board in ensuring that the integrity of the Group's financial statements and the effectiveness of the Group's internal financial controls and risk management systems are maintained. The Committee will continue to focus on ensuring our internal control processes continue to operate effectively and remain appropriate for the changing environment in which the Group operates. This key role of the Audit Committee will assume further significance in light of the requirements of the Financial Reporting Council's 2024 UK Corporate Governance Code with regard to, inter alia, monitoring and review of the Company's risk management and internal control framework. Through the Audit Committee's composition, resources and the commitment of its members, I believe that it remains well placed to meet these challenges and to discharge its duties in the year ahead.

I hope that you find this report informative and can continue to take assurance from the work undertaken by the Committee this year. We seek to respond to shareholders' expectations in our reporting and, as always, welcome any feedback from shareholders or other stakeholders.

**Chris Girling**

Chair, Audit Committee

3 March 2025

# Audit Committee Report

Continued >

## Responsibilities of the Audit Committee

The Board has established an Audit Committee (the 'Committee'), comprising the Independent Non-Executive Directors, to which it has delegated day to day responsibility for, inter alia, the following:

- ensuring that formal and transparent policies and procedures are in place to protect the interests of Shareholders in relation to financial reporting, internal control and risk management;
- monitoring the financial reporting process and the integrity of the annual and interim financial statements;
- determining whether the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable, and whether they provide the information necessary for Shareholders to assess the Group's position and performance, business model and strategy;
- considering, and ultimately approving for publication, any formal announcements relating to the Company's financial performance;
- reviewing and challenging, as necessary, the judgments and actions of management in relation to the financial statements;
- monitoring, reviewing and concluding upon the system of internal control, including the work of internal audit;
- ensuring the maintenance of a control environment and the appropriate management of risk;
- recommending the appointment of, and ongoing liaison with, the external auditor;
- reviewing and setting the terms of engagement and the remuneration of the external auditor;
- annual review and monitoring of the external auditor's independence and objectivity and the effectiveness of the audit process;
- development and implementation of policy on the engagement of the external auditor to supply non-audit services;
- reviewing the Group's systems and controls for the prevention and detection of fraud or bribery; and
- reviewing arrangements under which employees may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters ensuring that arrangements are in place for the proportionate and independent investigation and appropriate follow-up action.

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.

Members of the Committee have continued to take an active role including spending time with the operations teams and also participating in key discussions on areas of financial judgment. These actions have allowed the Committee to have an even greater input and to develop greater awareness of the day-to-day challenges that the business faces and the potential consequences of such challenges.

This report sets out how the Committee has discharged its responsibilities.

## Composition of the Committee

The Committee meets at least three times per year and also meets in private with the external auditor.

In accordance with Provision 24 of the Code, small companies (i.e. those below the FTSE 350) should establish a Committee of at least two independent non-executive directors. Membership of the Committee at each of its meetings during the year is shown below and is, therefore, in accordance with the Code:

	February	August	November
Chris Girling (Committee Chair)	✓	✓	✓
Kirsty Homer	✓	✓	✓
Nicola Keach	✓	✓	✓
Nick Gregg <sup>1</sup>	✓	✓	✓

Note 1: On 31 December 2024, upon completing nine years' service as an independent Non-Executive Director of the Company, Nick Gregg stepped down as an Independent Non-Executive Director of the Company and retired from the Board.

## What the Committee did in 2024

In 2024, the Committee discharged its responsibilities by:

- reviewing the Group's draft financial statements (for the year ended 31 December 2023), preliminary announcements (for the year ended 31 December 2023) and interim results statement (for the six-month period ended 30 June 2024) prior to Board approval and reviewing the external auditor's reports thereon;
- reviewing and considering the significant matters in relation to the financial statements, as further detailed below;
- reviewing the plan of the external auditor for the audit of the Consolidated and Company Financial Statements, confirmations of the auditor's independence and proposed audit fee and approving terms of engagement for the audit;
- considering and agreeing the annual internal audit plan together with any findings and recommendations arising thereon;
- monitoring and reviewing the effectiveness of the internal audit function;
- considering the review of material business risks, including reviewing internal control processes used to identify and monitor principal risks and uncertainties;
- reviewing the Executive and Non-Executive Directors' expenses;
- monitoring the reporting, and follow up of items reported, on the employee whistleblowing hotline established in line with the Code of Ethics;
- reviewing the Committee's composition and confirming that there is sufficient expertise and resource for it to fulfil its responsibilities effectively;
- considered the preparation for, and the ongoing workstreams in respect of, the reforms of the UK Corporate Governance Code;
- approving the appointment of Jacobs U.K. Limited ('Jacobs') as independent limited assurance provider in respect of certain of the Group's non-financial sustainability related data in the 2024 Annual Report and Accounts; and

- reviewing and approving the response to a letter from the Financial Reporting Council (FRC), as further detailed below.

## FRC Correspondence

The Committee reviewed a letter to the Company from the FRC following their review of the Company's annual report and accounts for the year ended 31 December 2023 ("FY2023 Annual Report and Accounts") in accordance with Part 2 of the FRC Corporate Reporting Review Operating Procedures. The FRC requested further information about the treatment of lease liabilities and deferred tax liabilities in goodwill impairment testing. The Committee was pleased to note that the FRC were satisfied with the response received from the Company and the Company agreed to provide additional disclosure in its 2024 annual report and accounts, to clarify why lease liabilities and certain deferred tax liabilities are included within the carrying value for each cash-generating unit (CGU). The Committee notes that the FRC's review of the FY2023 Annual Report and Accounts provides no assurance that the FY2023 Annual Report and Accounts were correct in all material respects; the FRC's role is not to verify the information provided to it but to consider compliance with reporting requirements. The FRC's letter(s) are written on the basis that the FRC (which includes its officers, employees and agents) accepts no liability for reliance on them by the Company or any third party, including but not limited to investors and shareholders.

## Fair, Balanced and Understandable

At the request of the Board, the Committee has considered whether, in its opinion, the 2024 Annual Report and Accounts are fair, balanced and understandable, and whether they provide the information necessary for Shareholders to assess the Group's position and performance, business model and strategy.

The Committee received a full draft of the report. Feedback was provided by the Committee, highlighting the areas it was felt would benefit from further clarity. The draft report was then amended to incorporate this feedback ahead of final approval.

When forming its opinion, the Committee reflected on the information it had received and its discussions throughout the year. Following its review, the Committee was of the opinion that the 2024 Annual Report and Accounts were fair, balanced and understandable on the basis that:

- the description of the business agrees with our own understanding;
- the risks reflect the issues that concern us;
- appropriate weight has been given to the 'good and bad' news;
- the discussion of performance properly reflects the 'story' of the year; and
- there is a clear and well-articulated link between all areas of disclosure.

## Significant Matters Considered in Relation to the Financial Statements

The Committee has assessed whether suitable accounting policies have been adopted and whether management has made appropriate judgments and estimates. Throughout the year, the Group Finance team has worked to ensure that the business is transparent and provides the required level of disclosure regarding significant issues considered by the Committee in relation to the financial statements, as well as how these issues were addressed, while being mindful of matters that may be business-sensitive.

This section outlines the main areas of judgment that have been considered by the Committee to ensure that appropriate rigour has been applied. Accounting policies can be found in the Statement of Significant Accounting Policies.

### Transition of the Company Financial Statements to FRS 101 Reduced Disclosure Framework

The Committee considered the proposed application of FRS 101 Reduced Disclosure Framework ('FRS 101') to the Company financial statements, with effect from 1 January 2023. The Committee noted that FRS 101 sets out disclosure exemptions available to qualifying parent companies that otherwise apply UK-adopted international accounting standards. Having considered the implications of applying the exemptions which are available under FRS 101, and noting the positive engagement between the Company, its NOMAD and AIM Regulation in respect of the same, the Committee concluded it was appropriate to transition the Company financial statements to FRS 101.

### Impairment

As part of the year end process, management assessed whether goodwill (in respect of the Group) and investments (in respect of the Company) had suffered any impairment, in accordance with the accounting policy stated within this Annual Report.

The Committee reviewed and challenged management's overall impairment testing of goodwill and investments. The Committee considered the appropriateness of key assumptions and methodologies for both value in use models and fair value measurements. This included challenging projected cash flows, growth rates and discount rates. The Committee concluded that the methodology and assumptions used by management were reasonable.

### Acquisition Accounting

In September 2024, the Group acquired the entire share capital of Empire Linen Services Limited ('Empire').

External specialists were engaged to assist management in valuing the customer contracts and customer relationships and brands acquired. The Committee considered the methodology and assumptions used in determining the fair value of the customer contracts and customer relationships and brands acquired, as this was considered by the Committee to be the area of most judgment. The Committee was satisfied that the fair value had been calculated based upon relevant historical and prospective information and financial data specific to the business combination, with an appropriate discount factor applied. The Committee further considered the accounting policy alignment adjustments and, again, considered them to be reasonable. The Committee also reviewed the proposed disclosures relating to the acquisitions for inclusion within the Consolidated Financial Statements and were in agreement that the requirements of IFRS 3, 'Business Combinations' had been satisfied.

### Post-employment Benefits

The valuation of all post-employment benefits is based on statistical and actuarial calculations, using various assumptions including discount rates, inflation, life expectancy of scheme members and cash commutations. The Committee reviewed the actuarial assumptions underpinning the valuation and were satisfied that all assumptions are within ranges considered generally acceptable given the size, demographic and duration of the Group schemes.

### Accounting for Complex Customer Arrangements

As in previous years, the Group offers rebates to certain customers based on agreed fixed rates relating to the volume of services provided and goods purchased. The Committee does not consider the Group's rebates to be highly complex as: they are predominantly volume related; there are generally written agreements in place; and historical estimates of rebates have

# Audit Committee Report

Continued >

been seen to be accurate. However, following FRC guidance this has been highlighted as an area of focus. The Committee has discussed any judgments made in accruing customer rebates with management and the auditor. The Committee is satisfied that the amounts accrued are appropriate.

## Going Concern Assessment

The Committee reviewed in detail the going concern assessment prepared by management, which comprised monthly cash flow projections for the period to 30 June 2026 (the assessment period), reflecting an initial set of assumptions around financial projections and trading performance. Detailed explanations had been provided by management with regard to the assumptions used in the cash flow projections. The Committee carefully studied the assumptions and considered that they were sensible and appropriate to the circumstances.

The Committee also considered the stress tests that had been performed by management, which reflected subdued trading conditions and which were designed to stress test liquidity and covenant compliance. Again, the Committee carefully studied the assumptions used in the stress tests and considered that they were sensible and appropriate to the circumstances.

After considering the monthly cash flow projections, the stress tests and the facilities available to the Group and Company, the Committee concluded that there was a reasonable expectation that the Group and Company have adequate resources for their operational needs, will remain in compliance with the financial covenants set out in the bank facility agreement and will continue in operation for at least the period to 30 June 2026. Accordingly, and having reassessed the principal risks and uncertainties, the Committee considered, and reported to the Board as such, that it was appropriate to adopt the going concern basis in preparing the Group and Company financial statements.

## Alternative Performance Measures (APMs)

Throughout the Annual Report and financial statements, we refer to a number of APMs. APMs are used by the Group to provide further clarity and transparency of the Group's financial performance. The APMs are used internally by management to monitor business performance, budgeting and forecasting, and for determining Directors' remuneration and that of other management throughout the business. The Committee is aware that the APMs are non-IFRS measures and should not be regarded as a complete picture of the Group's performance.

APMs used by the Group are as follows:

- adjusted operating profit, which refers to continuing operating profit before amortisation of intangible assets (excluding software amortisation), goodwill impairment and exceptional items;
- adjusted profit or loss before and after taxation, which refers to adjusted operating profit or loss less total finance cost;
- adjusted EBITDA, which refers to adjusted operating profit or loss plus the depreciation charge for property, plant and equipment, textile rental items and right of use assets plus software amortisation;
- adjusted earnings per share, which refers to earnings per share calculated based on adjusted profit or loss after taxation; and
- net debt excluding IFRS 16 liabilities.

The Committee considers that the APMs, all of which exclude the effects of non-recurring items or non-operating events, provide useful information for stakeholders on the underlying trends and performance of the Group. Furthermore, the Committee is content that where APMs are stated, they are presented with equal prominence to the statutory figures. The Committee

also considered the accounting policy in respect of APMs and noted that it referred to a number of limitations of APMs as well as providing clear signposts to where APMs are reconciled to statutory performance measures within the Annual Report and financial statements.

## Assessment of External Auditor Effectiveness

The Committee annually reviews the performance of the external auditor. In forming its conclusion as to the performance of the external auditor, the Committee reviews amongst other matters:

- feedback on the effectiveness and performance of the external audit;
- the external auditor's fulfilment of the agreed audit plan in respect of 2024;
- reports highlighting the material issues, critical accounting judgments and key sources of estimation uncertainty that arose during the conduct of the audit;
- the external auditor's objectivity and independence during the process, including its own representation about its internal independence processes; and
- the challenges raised by the external auditor during the audit.

The Committee concluded that the audit process as a whole had been conducted robustly, the external audit team selected to undertake the audit had done so thoroughly and professionally, and the external auditor had applied sufficient experience and understanding of the Company's industry, consulted with experts as necessary, and is of sufficient size to conduct a national audit.

The performance of Grant Thornton UK LLP ('Grant Thornton') as external auditor to the Company in respect of the year ending 31 December 2024 was, therefore, considered to be effective. In addition, the Committee was satisfied that management had provided the external auditor with appropriate access to its operations and personnel, systems, records and supporting information, whilst acting professionally and with appropriate challenge, enabling the audit to be conducted effectively.

## Assessment of External Auditor Independence

The Company has adopted a policy on the independence of the auditor which is consistent with the ethical standard published by the Financial Reporting Council.

### Independence Safeguards

The external auditor is required to adhere to a rotation policy whereby the audit engagement partner is rotated after five years. Grant Thornton were appointed in March 2021, four years ago.

Ethical Standards and ISA (UK) 260 require the external auditor to report to the Committee, on a timely basis, all significant facts and matters that may bear upon their integrity, objectivity and independence. During the year, the external auditor drew a number of matters to the attention of the Committee in relation to independence and were able to confirm that sufficient safeguards were in place and that there were no significant facts or matters that impacted their independence as external auditor.

Furthermore, Grant Thornton confirmed that it had complied with the Financial Reporting Council's Ethical Standard and that as a firm, and each covered person, that it was independent and able to express an objective opinion on the financial statements of the Group and Company.

### Non-Audit Services

A key issue for the Committee that may impair auditor independence, and the auditor's objective opinion on the financial statements, is the engagement of the external auditor for the provision of non-audit services. In response to the Financial Reporting Council's Revised Ethical Standard 2019 (the '2019 Ethical Standard'), non-audit services should be provided by a professional services firm other than the Company's appointed external auditor. The 2019 Ethical Standard provides that fees payable to the external auditor in respect of non-audit related services should be no more than 70% of the average audit fees over the previous three years. The 2019 Ethical Standard includes a 'whitelist' of permitted non-audit related services.

### Fees Payable to the Auditor

Fees payable (including expenses) to Grant Thornton in 2024 in respect of audit related services amounted to £590,000 (2023: £712,000).

Fees payable (including expenses) to Grant Thornton in 2024 in respect of non-audit related services amounted to £15,000 (2023: £15,000). The non-audit related procedures were in relation to the performance of agreed upon procedures in respect of informally reviewing, but not auditing, the Group's Consolidated Interim Financial Statements.

### Independence Assessment by the Committee

In assessing and concluding upon the independence and objectivity of the external auditor, the Committee takes into account the assurances and information provided by the external auditor at the planning stage of the audit, including a written disclosure of the relationships that could have an impact on the external auditor's independence and objectivity and the safeguards put in place to address such threats. As part of this process, the Committee receives a statement from the external auditor advising that all covered partners and staff annually confirm their compliance with Grant Thornton's ethics and independence policies and procedures including, in particular, that they have no prohibited shareholdings and their ethics and independence policies are fully consistent with the requirements of the 2019 Ethical Standard.

In addition, the Committee meets with the external auditor three times during the year without the presence of management and I, as Audit Committee Chair, have had regular contact with the audit engagement partner. The Committee also has authority to take independent advice, as it determines necessary, in order to resolve issues on auditor independence. No such advice was required during the year.

Accordingly, the Committee has concluded that Grant Thornton was independent of the Group.

### Reappointment of the External Auditor

The Committee has recommended to the Board to propose to Shareholders the reappointment of Grant Thornton as auditor until the conclusion of the AGM in 2026. Full details are set out in the Notice of Annual General Meeting on pages 180 to 188. There are no contractual restrictions over choice of auditor.

### Role of 'Internal Audit'

The Group's internal audit process is undertaken by the centralised Group Finance team, which has a Group-wide remit and is independent of the business operations. The team, which includes a number of qualified accountants, undertakes an on-going programme to provide assurance on the adequacy of internal control and risk management processes across the Group's operations. The team is responsible for reviewing and reporting on the effectiveness of internal controls and risk management systems to the Committee and, ultimately, the Board. The Director of Group Finance attends each Committee

meeting to present the findings of such reviews and to report on performance against the agreed annual audit plan, such plans being agreed during the year by the Committee. The Committee considers the current internal audit arrangements to be effective and appropriate for the Group and shall keep this under review.

### Internal Control and Risk Management

Whilst day to day responsibility has been delegated to the Committee, the Board is ultimately responsible for the overall system of internal control for the Group and for reviewing its effectiveness. The Board's agenda includes a bi-annual consideration, or more frequently if appropriate, of risk and control and it receives reports thereon from the Audit Committee.

The Committee carries out a review, at least annually, covering all material controls, including financial, operational and compliance controls, and the risk management systems. The Committee also receives regular reports from the Group Finance Team in respect of internal audit and, where necessary, recommendations for improvement are considered and agreed. This process has been regularly reviewed by the Board.

The main features of the internal control framework are detailed below.

#### 1. Financial Reporting

There is a detailed budgeting and forecasting process with the annual budget and forecast both challenged, stress tested and, ultimately, approved by the Board. Monthly financial results, together with updated forecasts as appropriate, are reported against the corresponding figures for the budget and the previous year with corrective and/or investigative action initiated by the Board as appropriate.

#### 2. Treasury Management

The Group's treasury activities are operated within Board approved guidelines. Facilities are approved by the Board and all transactions are controlled and monitored. Monthly summaries of treasury management activities are prepared for the Board. Speculative transactions are not undertaken.

#### 3. Risk Management

There is an on-going process for identifying, evaluating and managing the Group's Principal Risks and Uncertainties that has been in place throughout the financial year and up to the date of approval of the financial statements. The identification of business risks is carried out in conjunction with operating management and reviewed by the Committee and the Board. The Board regularly assesses the financial implications and effectiveness of the control process in place to mitigate or eliminate these risks. The Group has insurance cover where it is considered appropriate and cost effective.

#### 4. Financial Control

Each business maintains financial controls and procedures appropriate to its own operating environment. The Group has a centralised finance function, independent to the operating businesses and which can second additional resources from around the Group, which reviews the systems and procedures within each business and reports regularly to the Committee. A review of control procedures is undertaken in respect of all new acquisitions and action taken where necessary to bring the controls up to the level required by the Group. The Group has clearly defined guidelines for the review and approval of capital expenditure projects. These include annual budgets and designated levels of authority.

The system of internal control is designed to mitigate, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.



# Audit Committee Report

Continued >

The key elements of the Group's on-going processes for the provision of effective internal control and risk management systems, in place throughout the year and at the date of this Report, include:

- regular Board meetings to consider matters reserved for Directors' consideration;
- regular management reporting, providing a balanced assessment of key risks and controls;
- an annual Board review of corporate strategy, including a review of material business risks and uncertainties;
- established organisational structure with clearly defined lines of responsibility and levels of authority;
- a centralised Group finance function which is independent to the operating businesses and which implements the annual internal audit plan and provides independent assurance to management, the Committee and the Board on the effectiveness of internal controls and risk management;
- documented policies and procedures;
- regular review by the Board of financial budgets, forecasts and covenants with performance reported to the Board monthly; and
- a detailed investment process for major projects, including capital investment coupled with a post investment appraisal analysis.

In reviewing the effectiveness of the system of internal control the Committee has:

- received six-monthly reports, compiled by the Group Financial Controller following discussion with key senior managers, that set out the key risks facing the Group and indicate whether controls and risk management processes in each business unit have operated satisfactorily. These reports are reviewed in detail, challenged where appropriate and approved by the Committee for use in the Annual Report;
- regularly reviewed the financial and accounting controls;
- reviewed the internal audit reports; and
- monitored management's responsiveness to the findings and recommendations arising from the above.

No significant failings or weaknesses were identified.

In respect of Group financial reporting, the finance department is responsible for preparing the Group financial statements using a well-established consolidation process and ensuring that accounting policies are in accordance with International Financial Reporting Standards. There is a detailed budgeting process with an annual budget both challenged, stress-tested and approved by the Board. Monthly results are reported against the corresponding figures for the budget and the previous year with corrective action initiated by the Board as appropriate. All financial information published by the Group is subject to approval by the Committee.

The Group's treasury activities are operated within Board approved guidelines. Facilities are approved by the Board and all transactions are controlled and monitored. Monthly summaries of treasury management activities are prepared for the Board. Speculative transactions are not undertaken.

There have been no changes in the Company's internal control over financial reporting during the year under review that have materially affected, or are reasonably likely to materially affect, the Company's control over financial reporting.

Following the Financial Reporting Council's publication of the 2024 UK Corporate Governance Code ("2024 UKCGC"), the Audit Committee and the Board acknowledges and is evaluating the requirements of the 2024 UKCGC regarding, inter alia, the monitoring and review of the Company's risk management and internal control framework.

## Bribery Act 2010 (the 'Act')

The Group is committed to conducting its business with the highest degree of integrity. This commitment includes a zero-tolerance approach towards all forms of bribery, corruption, fraud and theft. The Group has in place an appropriate policy, which sets out how employees must act to ensure that our zero-tolerance approach to bribery and corruption is upheld, and regularly re-enforces its Code of Ethics. In addition, our employee Code of Conduct (the 'Code of Conduct') sets out the requirements and guidelines on expected behaviours for all employees to act with honesty, integrity and fairness to others to ensure the Group meets the highest standards of conduct in business dealings. The Code of Conduct, which encompasses a high-level overview of each of the Group's more detailed policies, including the Code of Ethics, is available on our internal intranet system and hard copies can be obtained from our Human Resources teams.

On joining the Group, whether by way of acquisition or otherwise, all employees will be made aware of these standards and procedures to ensure compliance is achieved. Senior employees are also required to sign an annual statement of compliance with the Code of Ethics. Appropriate Board approved procedures are in place to prevent employees and other associated persons committing offences under the Act. Engaging in fraud, bribery or corruption is unlawful and any employee, director or officer found to have breached the Code of Conduct will be liable to disciplinary action which may result in dismissal or other serious sanctions. Breaches of the Code of Conduct by third parties may result in immediate termination for breach of all contracts with the Group. These procedures are subject to regular monitoring and review.

## Modern Slavery Act

We are committed to implementing and enforcing effective systems and controls to ensure slavery and human trafficking is not taking place anywhere in our supply chains or in any part of our business. To ensure a high level of understanding of the risks of modern slavery and human trafficking in our supply chains and our business, all Directors have been briefed on the subject and we have provided training to relevant employees. The Company's modern slavery compliance statement, pursuant to section 54(1) of the Modern Slavery Act 2015, for the financial year ended 31 December 2024 was approved by the Board in January 2025. Further details can be found on page 36.

## Whistleblowing

The Group is committed to a culture of openness, honesty and accountability and believes that it is fundamental that any concerns our employees have can be raised in confidence and without fear of victimisation. To this end, the Group has in place a whistleblowing policy which encourages employees to report any malpractice, illegalities, wrongdoing or matters of similar concern (together 'ethical wrongdoing') by other employees, former employees, contractors, suppliers or advisors. Examples of ethical wrongdoing include bribery, corruption, fraud, dishonesty and illegal practices which may endanger employees or other parties.

Any matters raised through the whistleblowing process are reported to the Committee. Where such matters are raised a proportionate investigation is undertaken either by independent

management or an appropriate external party under the direction and guidance of the Committee.

During the current and preceding financial years, a number of matters were raised via the whistleblowing process. These mostly related to employee related grievances and were escalated to the relevant manager or other investigating officer for investigation.

**Chris Girling**

Chair, Audit Committee

3 March 2025