



Section 172 Companies Act 2006 Statement

The directors of the Company work in conjunction with the Board of directors of the parent company of the Group, Caledonia TLG Limited ("CTLG"), and other subsidiary companies to ensure that all colleagues work together in good faith to promote the success of the Company and the Group for the benefit of the shareholders as a whole. In discharging our Section 172 duty we have done so through our agreed strategy for the benefit of the members of the Parent company, having regard to the stakeholders and matters set out in the Section 172 of the Act in the decisions taken during the period.

In doing so Section 172 requires a company to have regard to:

- i) The likely consequences of any decisions in the long term
- ii) The interests of the Company's employees
- iii) The need to foster the Company's business relationships with suppliers, customers and others
- iv) The impact of the Company's operations on the community and environment
- v) The desire of the Company to maintain a reputation for high standards of business conduct
- vi) The need to act fairly between members of the Company

These Group's approach to these six areas is considered in the review below.

Our business priorities

Our Group-wide focus is on growth, something we are well positioned to achieve thanks to our commitment, operational excellence and social and environmental sustainability. Our strategy is designed to enable us to win in the marketplace, focus on long term sustainability of our business and create value for our stakeholders. We aim to consider our impact on the wider society, communities and the environment. The Company's strategy is built around four pillars:

From the Heart

We're made of different stuff at the Liberation Group. We're an eclectic bunch of passionate people, all brought together by our love of food, drink and service. We get the greatest buzz from seeing our customers enjoying the food and drink we've made and served with love.

Raise the Spirits

The Liberation experience is always positive we do all we can to raise the spirits; can't help but smile; make their day better; choose your attitude; serving happiness.

Talk of the Town

Everything we do, from the way our pubs look, to the quality of our food and drink to the way we treat people, is irresistible; we're the talk of the town. We create wow moments; people can't help talking about us; share your passions; create a vibrant atmosphere.

Set the Bar High

We do everything to the very best of our capabilities and we push each other to be outstanding. We set the bar high. We brew the beer, we serve the beer; fresh locally sourced produce; in it together; if we're not proud of it we don't serve it.



Board Composition

The Board is responsible for creating and delivering sustainable shareholder value through the management of the Liberation Group's business. In discharging its role, the Board is guided by the interests of the Company and its fellow subsidiary Companies, taking into consideration the interests of the Company's stakeholders. The Board is responsible for complying with all legislation, for managing the risks associated with the Company's activities and for financing the Company.

The membership of the CTLG Board includes non-executive directors with substantial current and previous operational and financial senior management experience in complementary businesses and representation of the equity investor. Although CTLG has a majority shareholder in Caledonia Investments plc, the broad experience base of the directors helps to ensure that the need to act fairly between all members is recognised at all times.

Employee Engagement

The Board understands that the interests of employees are key to the long-term success of the business. Health and safety of the Liberation Group's employees as well as our customers is a key priority. The Group engages in regular employee communication through internal company wide emails, Yapster and other social media. The Group now seeks feedback from employees, having conducted an inaugural survey during 2019. The Group has invested in learning and development providing an online platform for e-learning including modules for colleague well-being.

In the highly competitive hospitality sector, we need to attract and retain the most talented and skilled people to retain the highest standards of food and service we have become well known for. We ensure colleagues are kept informed of business performance and developments. The leadership team achieves this in several different ways, via email, roadshows and regular updates from the CEO via Yapster.

The Group has appropriate equal opportunities policies in place to ensure equal treatment throughout the recruitment process and duration of employment. We also have policies to ensure colleagues are not subjected to discrimination and are treated fairly and equally at all times.

Stakeholder Engagement

Engaging with all stakeholder groups to deliver long term success is a key focus for the Board. All decisions take into account the impact on stakeholders, our strategy is designed to enable us to win in the marketplace, focus on sustainability of our business and create value for each of our stakeholder groups:

Customers and Consumers

We recognise that we must delight the customers and consumers of our brands, products and experience to be successful and to thrive. We always place the customer at the heart of everything we do, and we recognise that we cannot achieve success for our shareholders without being successful in the eyes of our customers and consumers.

Suppliers

We continue working together with our suppliers to ensure high ethical standards and respect for human rights and the environment. A focus is on reducing our and our suppliers' impact through design and production of packaging and working on solutions for recycling, with a view to developing solutions to reduce emissions.

Lenders

Our syndicate of banks provide essential capital to finance the purchase and development of the assets of the Group including substantial freehold land and buildings. We maintain a regular



dialogue with our lender group to ensure they are fully appraised of our trading, outlook and investment priorities.

Community and Environmental

We own 85% of the sites that we operate as managed pubs and inns or lease to tenants. We are acutely aware of the role that pubs play in the broader life of their local community and factor this into decision making around all aspects of the customer offer. We invest maintenance capital expenditure to ensure our sometimes-historic buildings retain their iconic status in their local communities.

The Group and the Company are committed to reducing our environmental impact – in the UK, the electricity we use is 100% from renewable resources, we have audited our sites for water saving opportunities and rolled out waterless urinals in all sites, we recycle 58% of our waste and we have introduced paper straws instead of plastic and plant-based cleaning materials.

Responsible Business

The Group is committed in all its dealings to uphold the highest standards of business conduct and integrity. Our Ethical Conduct Policy sets out how we expect our colleagues to behave, covering conflicts of interest, reporting of wrongdoing and suppliers, gifts and hospitality. Our compliance procedures are designed to identify any related party transactions and ensure they are reported to the directors immediately to ensure appropriate safeguards are put in place. We are committed to paying suppliers to agreed terms.

The directors are aware of their duty under s172 in their discussions as a board to take into account the interests of all key stakeholders and the long-term impact in its decision-making processes. Decisions made by the board take into account the interests of all of the Group's key stakeholders and reflect the Board's belief that the long-term sustainable success of the Company and the Group depends on the achievement of the goals of all of its key stakeholders.