

Statement of Compliance with the QCA Corporate Governance Code

Chair's Introduction

Restore provides specialist solutions to enable organisations to work faster, reducing cost, work more securely and more sustainably.

Restore is the UK's leading provider of integrated information and data management, business digitisation, secure recycling of paper and technology assets and commercial relocation services. Restore's mission is to be the most trusted and environmentally responsible provider to the private and public sector.

We have a strong track record of success and a clear strategy to grow through organic momentum, acquisition and synergy from scale and cost efficiency.

The Board ensures that the Group is managed for the long-term benefit of all shareholders with corporate governance being an essential part of this.

Sharon Baylay-Bell
Chair

Changes to the Corporate Governance Regime

The Board adopted the Quoted Companies Alliance (QCA) Corporate Governance Code in line with the London Stock Exchange AIM Rules requiring all AIM-listed companies to adopt and comply with a recognised corporate governance code in 2018. Our report sets out in broad terms how we comply at this point in time. We provide annual reviews on our compliance with the Code.

Principle 1: Establish a strategy and business model which promote long-term value for shareholders

Restore is the UK's leading provider of integrated information and data management, business digitisation, secure recycling of paper and technology assets and commercial relocation services.

Our services are critical to customer operations, reduce their costs and enhance their organisation. With national operations and integrated complementary businesses, we lead the sectors in which we operate.

Restore's strategy is to generate sustained organic growth from existing and new customers and to target the substantial acquisition opportunities that exist in most of the markets in which we operate. In addition, as a result of acquisitions and business consolidation, the Group can drive margin improvement through scale, synergy and consolidation.

The Group's latest Annual Report provides further details on the Group's strategy and business model in Digital and Information Management and Secure Lifecycle Services, as well as the key challenges faced by the Group in achieving its goals.

Principle 2: Seek to understand and meet shareholder needs and expectations

The CEO and CFO are the Company's principal contact for investors, fund managers, the press and all other interested parties and in addition the Chair is available, if required.

The Company meets regularly with its large investors and institutional shareholders who along with analysts are invited to meetings by the Company after the announcement of the Company's results. The Company conducts bi-annual investor roadshows in the UK, holds a Capital Markets Day and holds regular site visits for interested parties.

At the Annual General Meeting, all investors are given the opportunity to question and discuss matters with the Board. Corporate information (including all Company announcements) is available to shareholders, investors and the public on the Company's website www.restoreplc.com

Charles Bligh, our CEO, is primarily responsible for shareholder liaison; to request a meeting please contact ir@restoreplc.com

Principle 3: Take into account wider stakeholder and social responsibilities and their implications for long-term success

Connecting with our stakeholders develops our relationships and allows us to develop the Group. Our shareholders, suppliers, customers and employees are our most important stakeholders.

Our suppliers:

We agree supplier terms of business with all of our authorised suppliers and recognise that they must be able to maintain their businesses for the Group to continue to benefit from their services. Existing supplier relationships are also periodically reviewed.

Our customers:

Restore provides a range of services. These services are operationally complex and mission critical where high-quality performance is essential.

Our business units benefit from being market leaders in sectors where scale generates significant cost effectiveness and enables larger multi-branch customers to be serviced by a single supplier. In a world where data in both a physical and digital form is becoming more valuable and subject to increasing regulation the services we provide which store, digitise, process, securely destroy and erase data are in increasing demand.

Our customer base covers a broad range of both private and public sector entities.

Examples of our market sector penetration include:

- >90% of top 100 UK legal practices
- >85% of UK National Health Trusts
- >70% of local authorities in England, Wales and Scotland
- >80% of FTSE 100 companies
- >80% of top 50 UK accountancy companies

We seek to establish longstanding customer relationships across the entire Group and customer relationships are critical to future success. All key relationships with customers are maintained by an account manager to ensure that they are maintained, and any issues are addressed in a timely manner.

Our employees:

At Restore we know that to maintain and build upon the great service we offer our customers, we must ensure that we continue to invest in a safe, inclusive and rewarding environment for our employees to work in.

We launched Our People strategy ('A Great Place to Work') in 2021 and whilst there is still more to do, we've delivered against a number of key areas to enable people to perform at their best and generate a positive culture for all employees.

Our People, focuses on five key themes:

- safety and wellbeing
- culture
- diversity and inclusion
- community impact
- enriching careers and working life.

We have provided all colleagues access to regular two-way communication through our new Intranet, Circle. We conducted a people survey and actively encouraged staff to participate in new ideas and ways to improve the working at Restore experience.

Wellbeing is also a particular area of focus for us. We have been promoting our Employee Assistance programme, launched an associated wellbeing app, have put Mental Health first aiders in place, along with other communications and support tools for colleagues.

We continue to operate a Speak Up policy across the Group that provides employees with guidance on how to raise concerns about fraud, security, unethical behaviour, health and safety, bullying, discrimination, bribery and corruption, data protection and any other matter they feel should be reported.

Restore is committed to equality and fairness and we do not discriminate on the grounds of gender, gender reassignment, marital status, race, ethnic origin, disability, sexual orientation, religion or age.

We aim to ensure our workforce is representative of society and that each employee feels respected and able to give their best. With increased investment in our recruitment team, we are committed to building strategies to actively attract more diversity into our business.

Our community and charity incentives:

We care for the communities in which we work and take part in a number of Group-wide initiatives to ensure our presence is a positive one for our neighbours and colleagues.

For many years, teams from across the Group have worked together with Crisis at Christmas, donating many boxes of clothing, toiletries, food, transport and their time to help the charity set up their shelters every December. Each business in the Group supports charities and community groups with whom they have a personal connection.

In addition to our Group initiatives, we encourage employees to support charities and help in our communities, by sponsoring fundraising efforts and by allowing time away from work to participate in events for a range of approved charities.

Modern Slavery and human trafficking:

Restore plc has a zero-tolerance approach to slavery and is committed to preventing acts of slavery and human trafficking from occurring within both its business and supply chain, and imposes those same high standards on its contractors, suppliers and other business partners.

Our policy is available on the plc website: www.restoreplc.com

Principle 4: Embed effective risk management, considering both opportunities and threats, throughout the organisation

The Risk Committee consists of Lisa Fretwell, as Chair, the Executive Directors and the Group Head of Risk acting as Secretary. Other senior leaders across the Group are invited to attend as required to discuss and progress areas of risk management.

During the year, the Committee was developed to further enhance the identification and mitigation of risk across the Group. The Board have adopted terms of reference which can be found on the Group's website at www.restoreplc.com and operates a sub-committee structure.

These sub-committees are in place across different functional specialisms including health and safety, property, IT and cyber risk, compliance and quality. These specialist teams support the Risk Committee directly and continue to be enhanced.

The business is led by a highly qualified and experienced Board with sector and specialism relevance drawn from working across FTSE 100 and FTSE 250 organisations. Board meetings are held on a regular basis and no significant decision is made other than by the Director's. All Directors participate in the key areas of decision making.

The Board acknowledges its responsibility for establishing and monitoring the Group's systems of internal control. Although no system of internal control can provide absolute assurance against material misstatement or loss, the Group's systems are designed to provide the Directors with reasonable assurance that problems are identified on a timely basis and dealt with appropriately.

The Group has clearly defined framework for investment appraisal and approval is required by the Board where appropriate.

The Company has established an Audit Committee who are responsible for reviewing the scope and results of the audit, its cost effectiveness and the independence and objectivity of the auditor.

The Group's latest Annual Report provides further detail on the key risks faced by the Group.

Principle 5: Maintain the Board as a well-functioning, balanced team lead by the Chair

The Board is led by the Non-Executive Chair and includes two Executive Directors and three Non-Executive Directors. The Board meets on a regular basis and make all of the significant decisions in the Group. The Board is satisfied that there is a suitable balance between Company knowledge and independence in order to discharge its duties and responsibilities effectively. All Non-Executives are considered to be independent and are able to commit the required time necessary to fulfil their roles.

During 2022 there have been nine Board meetings to date which have been attended by all Board members.

The key activities have included:

- Health and Safety
- Divisional business unit reviews
- GDPR
- Capex business case reviews
- Corporate risk register
- Executive remuneration
- People strategy
- Acquisition strategy and detail
- ESG including terms of reference
- Governance updates

- GDPR
- Business unit strategy reviews
- Investor feedback
- Approval of external announcements and shareholder distributions

All Board Directors commit the necessary time required to fulfil their roles. Further detail on the Directors is set out on the Company's website and in the Company's latest Annual Report.

Principle 6: Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities

The Board is satisfied that between the Directors there is an effective balance of skills and experience. All Directors receive regular and timely information on both the Group's operational and financial performance. Information is circulated to the Director's in advance of meetings. The Group reports monthly on its performance against its agreed targets and the Board reviews this at each meeting. Contracts for the Directors are available for inspection at the Group's Head Office and at the Annual General Meeting.

The Board considers and reviews the requirement for continued professional development. The Board undertakes to ensure that their awareness of developments in corporate governance and the regulatory framework is current, as well as remaining knowledgeable of any industry-specific updates. The Nomad and external advisers also support this development, by providing guidance and updates as required.

All Directors submit themselves for re-election at the Annual General Meeting at regular intervals.

The biographies of each of the Directors, including their experience and skills, are available on the Company's website and in the Company's latest Annual Report.

Principle 7: Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement

Our Chair continues to ensure that contributions made to the Board are relevant, independent, effective and encourage debate. Over the next 12 months further review of the Board functionality will be undertaken to include assessments of whether Board members attend and actively contribute to meetings as well as thoughts on board composition, external advisers and other relevant matters.

The Nomination Committee comprises of the Non- Executive Directors. The Committee is chaired by Sharon Baylay-Bell unless the matter under discussion is her own succession. Other Directors are invited to attend as appropriate. The Committee is also assisted by executive search consultants as and when required. The Committee's principal responsibility is to lead the process for Board appointments and to make recommendations for maintaining an appropriate balance of skills on the Board. It is anticipated that the Committee will usually meet to discuss succession planning for key senior executives.

The Board and Nomination Committee undertake regular assessments of management to ensure that they maintain a successful strategy in order that succession plans are in place. The Board aim to maximise development of internal talent and where appropriate involve external recruitment.

Principle 8: Promote a culture that is based on ethical values and behaviours

We seek to recruit and retain the best employees in order to deliver the best service to our customers. We believe that power and responsibility go hand in hand. We aim to ensure our workforce is representative of society and all employees feel respected and able to give their best. In order to guide our employees, the Group maintains and regularly reviews our anti-bribery and speak-up (whistleblowing) policies.

As our Group increases in scale, we are able to offer our employees greater stability, development and career opportunities. We care for the communities in which we work and have various Group initiatives as outlined in our Annual Report.

Feedback from all stakeholders, as described in relation to Principle 3, allows the Board to monitor its corporate culture and ethical values and behaviours within the business.

Principle 9: Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board

The Board is responsible for the overall leadership, strategy, development and control of the Group in order to achieve its strategic objectives.

The Board acknowledges its responsibility for establishing and monitoring the Group's systems of internal control, in order to safeguard the assets of the Company and to enable risks to be properly managed.

The Chair is responsible for running the Board and ensuring that there is appropriate focus and direction. The CEO is responsible for proposing that focus, and once approved, implementing and reviewing it through the senior management team.

The CFO is responsible for the financial reporting and financial management of the Group and all finance, audit and tax matters.

The Board is supported by the Audit, Remuneration and Nominations Committees.

The terms of reference for which (along with matters reserved for the Board) are available on the Company's website: www.restoreplc.com

The Board intends to keep all of the Company's governance arrangements under review over the next 12 months to ensure that they are relevant and evolve as the Group continues to develop.

Principle 10: Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The Company communicates with shareholders through the Annual Report and Accounts, full-year and half-year announcements, the Annual General Meeting and one-to-one meetings with shareholders and well as holding site visits for interested parties. Our corporate information (including all Company announcements) is also available to shareholders, investors and the public on the Company's website www.restoreplc.com

The Directors' remuneration report and independent Auditor's report form part of the Company's Annual Report, which is available to view on the Company's website, along with all other historical annual reports, notices of meetings and other information.

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