



Savers Health and Beauty Limited (the “Company”)

Companies Act 2006 Section 172 (1) Statement

Under section 172 (a) to (f) of the Companies Act 2006, directors of a company are required to act in a way they consider, in good faith, would most likely promote the success of the company for the benefit of its members as a whole, having regard to a range of different matters as stated therein.

The duty emphasises that the board of directors must consider the wider impact of its decisions, rather than just the financial and strategic elements. The board should also create a culture whereby the long-term consequences of its actions and the long-term success of the company are given due consideration.

(i) The likely consequences of any decision in the long term

It is essential that the Board makes decisions which are best for the Company in the long term. These decisions are focussed on long-term success, not short-term gains, which will stand the Company in good stead for the future. This has been a major focus for a number of years, particularly in light of the pressure on the high street as a result of the struggling retail market.

The Company works closely with its shareholder and stakeholders to review, update and agree its five-year strategy each year. Consideration is given to the changing retail landscape and investments that may be needed to support future growth as well as financial projections. The strategy is formally signed off by the Board each year, which then forms the basis for the operating plans to deliver against the agreed targets.

The Investment Committee of the Company, chaired by the Managing Director and supported by the Finance Director, holds regular meetings to ensure all significant spend decisions have a comprehensive review before decisions are taken and contracts are signed. This also ensures to the extent possible, that commitments with sufficient flexibility or otherwise only minimum commitments will be entered into by the Company so as to allow the Company to remain agile in an ever-changing environment at a time where the nature of the high street is changing rapidly across various town centres.

(ii) The interest of the employees of the Company

The relationship with the employees of the Company is paramount. The Company actively engages with its employees to ensure that their opinions and ideas are always considered, and that employees are kept up to date and informed. The Company holds an annual conference for Store Managers to provide an update on the performance and future plans of the Company. Regular conferences are also held for Head Office employees, and equivalent ‘all hands’ meetings also take place at its Distribution Centres.

All employees have access to a social networking platform, which is used for Company communication, as well as sharing less formal messages with each other on store events, like charity fundraising. Access to this collaborative network helps drive employee engagement. The Company also achieved accreditation from “Great Place to Work” during 2023.

(iii) The need to foster the Company’s business relationships with suppliers, customers and others

In all instances the Company aims to create and maintain open and transparent business relationships, which are paramount to ensuring high quality products can be obtained on terms that can meet customer demand. The directors are also mindful of the need to maintain, and enhance, good supplier relationships in the strategy they deliver for the Company. The Commercial Director also holds regular “top to top”

meetings with major suppliers to ensure that open communication channels and positive business relationships are maintained.

The Company acknowledges the importance of its customers to the continued and long term success of the business, and places great emphasis on customer experience whilst shopping. Several customer metrics are used on a daily and weekly basis to monitor the Company's performance, in addition to feedback provided through the customer contact centre to gain real-time feedback on performance and provide opportunities to improve customer service.

(iv) The impact of the operations of the Company on the community and the environment

The Company recognises the importance of managing the social impact of the business and minimising any adverse impact of its operations on the environment. The Corporate Social Responsibility ("CSR") agenda of the Company is sponsored by the Managing Director which provides central oversight to all the activities of the company in this aspect. Additionally, the Company benefits from the support of the global AS Watson Group CSR Committee ensuring access to group-wide expertise and resource in this important area.

The Company received a bronze award for most effective long-term partnership at the Marie Curie corporate engagement awards. The award is testament to the strength of the Company's and Marie Curie charity partnership, and highlights the strong employee engagement partnership, centred on fundraising.

(v) The desirability of the Company maintaining a reputation for high standards of business conduct

The Company expects the highest standards of business conduct from its employees. They receive regular regulatory and compliance updates, and the Company also has in place policies, procedures and processes in respect of modern slavery, anti-bribery and corruption, as well as tax strategy.

All employees sign up to the AS Watson Code of Conduct upon joining the Company, which sets out the minimum standards for all employees of the AS Watson Group of companies. The Code aims to promote honest and ethical conduct and encourage trust, fair dealing and integrity in all interactions with customers, suppliers, colleagues and stakeholders.

(vi) The need to act fairly as between members of the Company

The Company works closely with its shareholder; agreeing the strategic direction, reviewing financial performance and major investment decisions, and maintaining an open communication on matters of importance. Such approach drives benefits for both the Company and its shareholder.

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