

**Joules Group plc (the *Company*)**

***Chairman's Corporate Governance Statement 2021***

**Introduction**

This Statement is issued in compliance with Rule 26 of the AIM Rules.

The Board of Directors of Joules Group plc (the ***Board***) follows The QCA Corporate Governance Code (the ***QCA Code***). This statement sets out the key details of the Board's application of the Code.

Joules Group plc is incorporated in England and Wales and its shares are listed on the Alternative Investment Market of the London Stock Exchange (***AIM***) following its IPO in May 2016.

I am the Non-Executive Chairman of Joules Group plc and I am responsible for the running of the Board and the overall governance of the Group. In this role, I am supported by the Independent Non-Executive Directors and the Company Secretary.

My Board colleagues and I believe that a robust governance framework supports the efficient and effective operation of the Company's internal processes and controls and helps to identify, monitor and mitigate financial and other risks. Good corporate governance is a foundation for the delivery of shareholder value.

A comprehensive corporate governance report setting out the detail of our governance structures and practices is presented in our 2021 Annual Report which is available on the corporate website.

The table appended to this Statement shows how the QCA Code has been applied by the Board. The Board and I believe that we substantially comply with the QCA Code and there are no significant areas where the Company's governance structures and practices differ from the expectations set by the QCA Code.

Ian Filby  
Non-Executive Chairman  
Joules Group plc  
September 2021

## Application of the QCA Corporate Governance Code

### DELIVER GROWTH

	Principle	Application
1	<b>Establish a strategy and business model which promote long-term value for shareholders</b>	An explanation of the Company’s business model and strategy is included on pages 12 - 13 and 20 - 22 of the Joules Group plc Annual Report and Accounts for the year ended 30 May 2021 (the “ <b>2021 Annual Report</b> ”).
2	<b>Seek to understand and meet shareholder needs and expectations</b>	<p>The Group maintains communication with institutional shareholders through individual meetings with Executive Directors, particularly following publication of the Group’s interim and full year preliminary results.</p> <p>All shareholders are invited to attend the Annual General Meeting (“AGM”) at which the Group’s activities will be considered and questions answered.</p> <p>Non-Executive Directors are available to discuss any matters stakeholders might wish to raise, and the Chairman and/or the Senior Independent Director will attend meetings with investors and analysts as required. The Senior Independent Director is available to shareholders if they have concerns which contact through the normal channels fails to resolve or for which such contact is inappropriate.</p> <p>Investor relations activity and a review of the shareholder register are standing items on the Board’s agenda and the Chairman ensures ongoing, effective communication with shareholders.</p> <p>The Remuneration Committee also considers shareholder feedback received on remuneration matters including issues raised at the AGM as well as any additional comments received during any other meeting with shareholders. The Remuneration Committee will seek to engage directly with major shareholders and their representative bodies should any material changes be made to the Remuneration Policy.</p> <p>General information about the Group is available on the Group’s website: <a href="http://www.joulesgroup.com">www.joulesgroup.com</a>. This includes an overview of activities of the Group and details of all recent Group announcements.</p>
3	<b>Take into account wider stakeholder and social responsibilities and their implications for long-term success</b>	<p>An explanation of the Group’s approach to wider stakeholder and social responsibilities is included in the Responsibly Joules section on the Group’s website: <a href="https://www.joulesgroup.com/responsibly-joules/">https://www.joulesgroup.com/responsibly-joules/</a></p> <p>Here we set out further detail on how we source our products in a responsible manner; respect our environment; support charitable projects; and engage with and seek feedback from our employees.</p>

<b>4</b>	<b>Embed effective risk management, considering both opportunities and threats, throughout the organisation</b>	<p>Our risk management framework and approach to risk is summarised on pages 32 to 35 and on page 57 of the 2021 Annual Report.</p> <p>The Board reviews governance matters as a standing item on the Board meeting agenda and has regular reviews of the risk management framework and risk register.</p> <p>The Board holds an annual strategy review to consider medium and long-term opportunities for the Group.</p>
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## MAINTAIN A DYNAMIC MANAGEMENT FRAMEWORK

	Principle	Application
<b>5</b>	<b>Maintain the Board as a well-functioning, balanced team led by the Chair.</b>	<p>The names of the Directors who served during the year ended 30 May 2021 are set out on page 72 of the 2021 Annual Report.</p> <p>11 Board meetings were held during 2020/21. These were attended by all Directors, who were on the Board on the dates of the meetings.</p> <p>The names, and a brief biography, of the current Directors is available on page 54 of the 2021 Annual Report and on the Group's corporate website: <a href="https://www.joulesgroup.com/about-us/leadership/board-of-directors/">https://www.joulesgroup.com/about-us/leadership/board-of-directors/</a>, along with the designation of those who are considered to be independent.</p>
<b>6</b>	<b>Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities</b>	<p>The names and details of the current Directors is available on the Group's corporate website: <a href="https://www.joulesgroup.com/about-us/leadership/board-of-directors/">https://www.joulesgroup.com/about-us/leadership/board-of-directors/</a></p> <p>The Company Secretary advises and supports the Board by ensuring that all Directors are kept abreast of changes in relevant legislation and regulations, with the assistance of the Group's advisers where appropriate.</p> <p>The Company has appointed PWC to assist it with its Executive Director remuneration policy.</p>
<b>7</b>	<b>Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement</b>	<p>The planned formal evaluation of the Board which was due to take place during the period has been delayed until autumn 2021. It was considered appropriate to delay this evaluation to allow the Board to focus on supporting the Company through the challenges presented by COVID-19, and to allow Caroline York to settle into her new role as CFO.</p> <p>A thorough and formal Board review, which was led by the Chairman, was conducted during FY19. No major changes to the function and focus of the Board arose from this evaluation.</p> <p>In our FY20 Annual Report we announced that the role of Tom Joule, Founder and Chief Brand Officer, would be evolving with a reduced working pattern and a primary focus on supporting some of the Group's business development initiatives, such as the establishment of Friends of Joules and acquisition of Garden Trading. Effective from September 2021, Tom's role will reduce further to primarily focus on his responsibilities as a Non-Executive Director of the Group. In addition to his Board responsibilities, Tom will continue to provide an advisory role in relation to some of the Group's business development initiatives, with a total anticipated time commitment of approximately one day per week.</p> <p>The Chairman will continue to meet regularly with the Non-Executive Directors without the Executive Directors being present and the Senior Independent Non-Executive Director will also meet with his fellow Non-Executive Director, at least annually, and also on such other occasions as deemed appropriate, to appraise the Chairman's performance.</p>

8	<p><b>Promote a corporate culture that is based on ethical values and behaviours</b></p>	<p>The Board of Directors seeks to promote a corporate culture based on strong ethical values and behaviours.</p> <p>We have devoted sections of our website and our Annual Report to setting out our commitment to making Joules a sustainable and ethical business for our customers and our employees. We are proud of our corporate culture and we believe it is embedded in every element of our business model.</p> <p>To learn more please visit: <a href="https://www.joulesgroup.com/responsibly-joules/">https://www.joulesgroup.com/responsibly-joules/</a> and see pages 36 – 47 of the 2021 Annual Report.</p>
9	<p><b>Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board</b></p>	<p>The roles and responsibilities of the Non-Executive Directors, Executive Directors and any other Directors who have specific individual responsibilities or remits (e.g. for chairing Board sub-committees, engagement with shareholders or other stakeholder groups) are outlined in the Investor Relations – Governance section of the Group’s website: <a href="https://www.joulesgroup.com/investors/governance/">https://www.joulesgroup.com/investors/governance/</a></p> <p>The roles, duties and terms of reference of the Remuneration, Audit and Nomination committees can all be found in this section of the website.</p> <p>The Board has a schedule of matters reserved for the Board which requires the following key matters to be considered and approved by the Board:</p> <ul style="list-style-type: none"> <li>- Strategy and business plans – including annual budget.</li> <li>- Acquisitions and disposals of businesses (including minority interests).</li> <li>- Changes in share capital and dividends.</li> <li>- Board membership and Committees and delegation of authority.</li> <li>- Remuneration and employment benefits (for the Executive Directors).</li> <li>- Corporate statutory reporting.</li> <li>- Appointment of auditors.</li> <li>- New debt facilities.</li> <li>- Major capital and revenue commitments.</li> <li>- Corporate governance, policy approval, internal control and risk management.</li> <li>- Certain litigation matters in line with the Joules litigation reporting policy.</li> <li>- Corporate social responsibilities.</li> </ul> <p>The Board continually assesses the Group’s Governance approach and intends to evolve the Governance Framework in line with the requirements of the business, regulatory changes and updates in best practice</p>

## BUILD TRUST

	Principle	Application
10	<p><b>Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders</b></p>	<p>Reports on the work of the Board and its committees are set out in the 2021 Annual Report as follows:</p> <ul style="list-style-type: none"> <li>- Board: pages 55 to 57</li> <li>- Audit Committee: 58 to 59</li> <li>- Nomination Committee: page 60</li> <li>- Remuneration Committee: pages 61 to 71</li> </ul> <p>Information about shareholder notices and voting at previous annual general meetings is provided on the Investor Relations – Regulatory News section of the website:  <a href="https://www.joulesgroup.com/investors/regulatory-news/">https://www.joulesgroup.com/investors/regulatory-news/</a></p> <p>At the 2020 AGM 27.8% of votes were cast against the Directors’ Remuneration Report. Shareholder feedback raised concerns about share awards granted to Nick Jones (CEO) and Marc Dench (former CFO) in April 2020 in lieu of salary waived during the year. In response to this feedback, the awards were waived by Nick and Marc. Further detail is provided in the Directors’ Remuneration Report.</p> <p>Save as specified above, no significant proportion of votes have been cast against a resolution at any general meeting.</p> <p>Copies of previous Annual Reports of the Group are set out on the Investor Relations – Results and Reports section of the website:  <a href="https://www.joulesgroup.com/investors/results-centre/">https://www.joulesgroup.com/investors/results-centre/</a></p> <p>In line with new requirements, the Board has produced a Section 172 Statement describing how the Directors have complied with their statutory duties during the year, including stakeholder communications. This can be found on pages 48 – 51 of the 2021 Annual Report.</p>