Section 172 Statement for the year ended 31 March 2023

The following disclosure describes how the directors have had regard to the matters set out in section 172(1)(a) to (f) and forms the directors’ statement required under section 414CZA of the Companies Act 2006.

The directors are reminded of their S.172 duties at the start of each Board meeting and whilst the Group falls outside of the requirements to adopt and formally report on its principles of corporate governance, the Group has an established governance framework, which it reviews periodically. The Board receives regular and ongoing regulatory updates that relate to the Group and the business tabled at its meetings.

Principal decisions

We define principal decisions as both those that are material to the Group, but also those that are significant to our stakeholders.

In making the following principal decisions the Group Board considered the outcome of its stakeholder engagement below as well as the need to maintain a high standard of business conduct and the need to act fairly between members of the Group.

During the year, the principal decisions taken were:

- Approval of budgets, bonus targets and incentive plans;
- Approval of a revisited and refreshed strategy; and
- Appointment of an Executive Deputy Chairman, following the resignation of the Chief Executive Officer and the Chief Financial Officer.

Details of the key stakeholders and how we engage with them are set out below.

Investors

The Group relies on the support of our shareholders and their opinions are important to us. The Company is 95% owned by a set of institutional investors and funds. Through our engagement activities, we strive to obtain stakeholder buy-in to our strategic objectives and update on progress against them. Shareholders consented to the restructure of the Senior Secured Notes and ultimate capital and ownership structure in March 2022.

There is regular engagement with shareholders and bondholders throughout the year, to keep them informed on how the business works, trends in performance and opportunities and risks. These have taken the form of both quarterly results presentation calls where these stakeholders can ask questions of the directors or follow up with emails, and also meetings between individual major investors and the Chairman, Deputy Executive Chairman, and members of senior management in order to seek views on various topical matters.

How the Group manages its cash is a further area where the views of the shareholders are routinely considered.

Our People

Yell is the main operating company within the Group and delivers the strategy on behalf of the Board. We define our people as employees who are paid through the Yell payroll. An engaged and motivated workforce is critical to the delivery of Group objectives. Engagement levels also affect voluntary staff churn.

Our people are a good barometer of employee confidence in the strategy and optimism for the future. The Group directors consider employee churn rates on a regular basis and the local initiatives to reduce this turnover and retain employees in the Group. The Remuneration Committee and Board ensures that incentive plans are designed to promote the success of the Group and are appropriate to retain employees and are aligned to the interests of the shareholders.

Yell operates a whistleblowing service, and all incidents are investigated and reported to the Group Audit & Risk Committee and ultimately the Group Board. Yell Sales Limited is the primary employer of the Group. Its Gender Pay Gap report can be found on: https://about.yell.com/legal.
Information provision to employees

The Group seeks feedback from its people on a wide range of topics through day-to-day contact and team meetings. Regular live, interactive, all hands, business update webinars are held by the senior leadership team with open question and answer sessions.

A detailed employee survey is carried out each year to provide insight into how employees view working at Yell, the strategy, engagement and culture. A shorter pulse survey is also carried out during the year. The results of the latest detailed survey, in November 2022, showed improvements across the board as a result of action taken based on the results of the survey run in the prior year.

Yell also operates a regular employee forum, the People Panel, as well as focus groups, which creates a two-way communications channel between the business and our people on a number of initiatives including, business-wide projects, product updates, wellbeing and charity fundraising, whilst ensuring that everyone has the opportunity to raise concerns and voice their and their team's opinions.

Employees

Yell's aim is to recruit, train and promote the best person for the job, to make full use of the talents and resources of all its people and to create a working environment free from unlawful discrimination, victimisation, and harassment in which all individuals are treated with dignity and respect. All employees are made aware of the requirements of the Yell Equality and Diversity Code of Practice and are obliged to co-operate to ensure that it is adhered to.

Yell is committed to supporting the principle of equality, diversity and inclusion and opposes all forms of unlawful or unfair discrimination on the grounds of colour, race, nationality, ethnic or national origins, gender, gender reassignment, marital/civil partnership status, disability, part-time or fixed-term status, parental responsibilities, age, sexual orientation, religion or belief, political opinion.

The Group, inclusive of the Company, has a Recruitment and Selection Policy that states that we are committed to the employment of people with disabilities. Moreover, we guarantee an interview to people with disabilities who meet the minimum selection criteria for any vacancy.

Our Equal Opportunities Policy contains a code of good practice on disability that states that an individual who becomes disabled whilst in employment will receive support to ensure, wherever possible, they are able to continue in their role. This will involve whatever reasonable adjustments can be made on consultation with the individual. Alternatively, in consultation with the individual, other positions will be considered where the individual's skills and abilities match the requirements of the role, making reasonable adjustments where appropriate. We will ensure that training and career development is equally available to people with disabilities, tailored where practicable for their specific needs.

Customers

Our customers and the service we provide to them are the constant focus of our business. Customer Obsession is one of 5 core values introduced to the UK organisation from April 2020. We run customer satisfaction measures across our operation, with direct customer feedback, and this forms part of the remuneration of all our customer-facing employees. We run a regular Customer Panel to create a two-way communication channel between the business and our customers on our customer-facing initiatives including products and services. Direct customer feedback allows us to further shape our strategic propositions. Brand Net Promoter Score, or “NPS”, has improved from +45 in March 2022 to +49 in March 2023.

Suppliers

It is important to us that we have a strong relationship with our suppliers. Our suppliers are crucial to the business services we provide and are fundamental to the quality of our products, our brand and reputation. We strive to ensure that our suppliers are aligned to our strategic objectives and we maintain and develop these relationships through senior management engagement where appropriate for key suppliers. Each year we publish the supplier payment practices data, which is also reported to the Group Board, so that our suppliers can be confident of our payment culture. Each supplier commits to adhere to the Yell Code of Ethics for Suppliers and the Modern Slavery regulations, which can be found on the Group website – https://about.yell.com/legal.
Yell Holdco Limited

Pension
The Group has invested a considerable amount of company resource in funding and has close engagement with the governing of our pension schemes for our employees and we want all our employees to have appropriate tools to review their personal plans for and throughout their retirement. Yell senior management regularly attend the meetings of the Pension Trustee Board ("PTB") for our legacy defined benefit ("DB") scheme and the governance meetings for the current defined contributions ("DC") scheme.

A main focus for the Group is to ensure adequate ongoing funding for the DB scheme and there is regular communication between the PTB and the Yell representatives to review and feedback on investment strategy. The funding position is communicated annually to the DB members in addition to regular newsletters from the PTB. The £370m bulk annuity buy-in with Pension Insurance Corporation plc ("PIC") in September 2022 meant that the DB scheme’s total liabilities are now fully matched by insurance policies, delivering security for the DB scheme’s 1,800 members whilst also minimising future risk for the Group.

Community
The Group understands the importance for brand reputation and employee engagement of being a responsible business within our communities. During the year Yell engaged with social representatives on opportunities to increase inclusiveness alongside an events calendar to promote charities that are important to employees.

Environment Reporting
The Group recognises its responsibility to act in the interests of the environment and to reduce its carbon footprint wherever possible. Continued remote and hybrid working has had a positive effect on the environment with reduced spend on consumables and work-related travel. An ESG working committee has been established and made up of employees from across Yell. The committee’s main function is to establish a Yell ESG Framework and Policy for ultimate approval by the Group Board. Further details on how the Group has regard for the environment are reported on page 4.

Government and Regulators
We engage with the Government and regulators where appropriate to communicate our views to policy makers relevant to our business. Key areas of focus are compliance with laws and regulations, health and safety and data protection. The Board of the Group is updated on legal and regulatory developments and takes these into account when considering future actions.