



Monday 20th December 2021

THE WISER REVIEW AND OUR NEW WORKPLACE CODE

A JOINT MESSAGE FROM ALLAN LEIGHTON, CHAIR, AND BLYTHE JACK, DEPUTY CHAIR (AND CHAIR OF THE INDEPENDENT REVIEW PROCESS)

To all Crew Members

Firstly, we hope you are all safe and well in these uncertain times.

Though we have had the privilege of meeting many of you already, this is our first formal note to you all. Since we joined the business we have both been struck by a number of things, not least the passion for great craft beer, the sense of teamwork, the excitement about working for such an amazing brand, and also pride in working for a company that has a demonstrable commitment to sustainability and the environment.

This has clearly been a challenging time in light of the open letter that was published by a group of former employees. We were impressed with the response made by the team. It showed a clear determination to ensure that BrewDog is a great place to work and is able to provide an environment in which crew members can progress and feel valued. It also showed a recognition that the business has not always got things right.

Some of the measures put in place in response to the open letter included:

- launching an independently managed ethics hotline;
- a company wide salary review;
- a structure review to identify where the business was constrained and recruit additional roles;
- a set of initiatives into mental health support;
- the creation of new Employee Representative Groups to give our people a direct say in the direction of the company; and
- considerable investment into our L&D and Career Development programme.

We know these measures were very much welcomed. The salary review resulted in the implementation of a company-wide pay rise. The structure review was completed quickly and we immediately set about bringing in additional resource to support our hardworking crew members. Our Employee Representative Group elections were completed in August and those ERGs have already met, providing insight and input to the senior leadership team. We appointed our new Beer Trainer, our new Training Manager for Retail, and our new Head of Learning & Development.

But core to the response was the decision to conduct an independent review into culture. We are both confident that in our many years working in business, we have never seen such a



deep dive into an organisation's culture. The Board has taken the review extremely seriously with the process overseen by Blythe.

In this note, we would like to set out a summary of the key findings of the review (which you can also view [HERE](#)), then also set out in brief the actions the business will take to address the findings. We are also pleased to announce the launch of BrewDog's Workplace Code [see [HERE](#)], a key document that sets out how all of us at BrewDog should conduct ourselves while at work. We commend the work that our Group People Director and Group Head of Legal have done to bring this important piece of work together.

Having read the review, we don't subscribe to the characterisation of the company set out in the open letter and we know from having spoken to numerous crew members, neither do many of you. But it is also clear that BrewDog has made mistakes and the key now is to learn from them, address them and be better. Our people are our most important asset – we know most companies say that, but it's absolutely true at BrewDog so it's vital we reciprocate your hard work, diligence and passion by doing all we can as a business to look after you and provide you with a working environment in which you can thrive.

A very large number of you agreed to participate in this review and we would like to thank you for doing so. Without that direct feedback this review would not have been as effective as it has turned out to be.

Methodology

We should first explain the broad methodology of the review and what it set out to achieve.

The objective was to build a fully rounded picture of the culture of BrewDog today, and also in the past. To do this, Wiser – the independent consultancy tasked with designing and implementing the review – undertook a massive exercise, including a detailed online survey of nearly 1,000 current and former crew members. They also conducted one to one interviews with over 400 former and current crew members, and indeed reached out to the founders of the open letter group. It is worth noting that the former employees who wrote the letter left, on average, nearly 5 years ago. We will explain why this is important shortly.

In our judgment, the review could not have been any more thorough.

Key Findings

We are pleased to say the vast majority of our current crew enjoy working at BrewDog. They share a passion for the business, for what we are trying to achieve, for the benefits that are available, the career opportunities and the overall sense of teamwork and working together. These are some of the themes that leapt out when reviewing the feedback in detail. Of course it's not perfect - no workplace is, but we were struck by the enthusiasm for the business and the excitement we all share about its future.

A second major theme is there is a distinct gap in terms of perception between former crew and those still with the business. What strikes us from reading the review is that it was during



the explosive growth period from 2016-18 in particular where there was the greatest sense of disaffection.

This rings true throughout the review and this is key to understanding some of the more negative feedback. In short, BrewDog was growing so fast, but its processes and culture didn't adapt with it. Hence a lack of HR support, a lack of resource, underprepared leadership at all levels and limited understanding of roles, responsibilities and career development objectives.

We will now turn to a key part of the review where we are not making the grade. Before we set these out, we want to state that the Board and the leadership accept the findings of this review, accept its recommendations and will take action to address the points raised.

1. Leadership

Leadership at BrewDog has improved considerably over the past few years and we are pleased to see this being fed back in the review which points specifically to the huge strides we have made, where we have developed a more positive, supportive and people-centric approach.

We recognise that during the exceptional high growth period from 2016-18 (and this was identified in the review), there was the sense that some within the broader leadership group in the past may have lacked the experience and expertise to manage their people effectively. This is not unusual in a fast-growing company, but it demonstrates that we need to do better at giving our leaders the right learning and development support, and also instilling a leadership culture that is in line with our Workplace Code, and brings out the best in everyone.

We believe we have made real improvement here and this is reflected in our current senior leadership team and the very positive feedback shared about that group, as well as how this culture has fed into leadership across the business. But we do recognise the criticisms of the past and will continue to invest in our leadership development programmes.

2. An under resourced HR function

The second major theme was a clear sense that BrewDog lacked a properly developed HR function. This was illustrated in a number of ways. From the very basic point of "not knowing who to call when I have an issue", to the perception that complaints were not being handled properly, to more strategic weaknesses – namely ill-defined career development paths, a lack of clearly defined roles, a poor performance management process, and a perception that the well-being of our people was not a priority.

Ultimately, the review describes an under resourced HR department, which was not able to offer the support that a growing company like BrewDog should provide. We hear you – we are fixing this.

3. Career progression

The lack of a clear career progression pathway was a particularly disappointing aspect of the review and it is a shortcoming we must fix quickly. Attracting and retaining the best talent is



key to any company's long term development, and when a business is growing as quickly as BrewDog, we must provide a clear pathway for our crew members. We are determined to make rapid and demonstrable progress on this front. We want to make sure our best talent stays within our business.

4. Resource

2020 was a desperately difficult year for BrewDog, as it was for everyone in the hospitality sector. We had to fight tooth and nail to survive the crisis and one way we did so was to expand the e-commerce business. This brought with it huge pressures in that division and it's clear we did not put in place sufficient resources quickly enough. We also saw feedback in the report that during the huge growth period from 2016-18, there was a common refrain of a lack of resource, long hours, and a challenging working environment.

The message has been received clearly and we have already undertaken a review of resourcing and that process is now largely complete. It's a competitive market for the best talent, so we can't fix this overnight, but all crew members can be assured, help is on the way.

New measures to address these matters:

Leadership: We have recently appointed a new Head of Learning and Development and we will be introducing leadership and management development training across the business to ensure our leaders are equipped with the skills to lead and motivate their teams. This will expand to up and coming leaders across the business to ensure we are set up for future growth. We are re-training our leaders across the retail estate in employment law and HR processes. You will all see a material difference in our people development strategy next year. When Allan became Chairman of the business, he also accepted the role of Mentor to James, to support his leadership development and he has committed to working with Allan to adapt his approach.

Human Resources: Under the guidance of our Group People Director, we are expanding the HR team to ensure that we have a team that is able to support the size of our business. We have recently added two key roles: our new Head of L&D and our new Head of HR Operations for the retail estate but we will be going much further and adding new roles to support all areas of the business – we have recently advertised for a HR Business partner for Ellon and a Head of Engagement and Internal comms. These are in addition to our new Beer Trainer and Retail Training Manager.

Career progression: We will be re-introducing structured quarterly career development reviews and these will include a focus on wellbeing. In addition, we are creating a career framework so everyone who works for BrewDog can see how their career can map out if they wish to progress. Alongside more learning opportunities and skills training, we will introduce a skills matrix across departments so people can see how their career can progress throughout the business.

Resource: we are pleased to say the recruitment process has gone well, despite the huge competition for talent. Since July we have added 600 new roles to ease those resource



bottlenecks globally, bringing our total crew to 2,300 this year. We will continue to monitor this as we expand the business.

Investing in Mental Health provision for our Crew

Central to any drive to ensure the culture of our business meets expectations is protecting the mental wellbeing of our people as well. We have already made considerable strides in improving the support we provide to our crew and we will use the review as an opportunity to go even further.

As you all know, we have appointed a Mental Health Ambassador role dedicated to improving access to support globally. We've now gone from 0 to 52 qualified Mental Health First Aiders (MHFAs) in the UK and USA, with another cohort including Ireland planned in early 2022. We also now have a plan to build a community for those MHFAs to support one another and continually upskill, and developed collateral in the form of Mental Health First Aider lanyards, high-vis vests and signage to ensure everyone knows who their local MHFA is.

We have launched bi-weekly Mental Health newsletters, covering topics such as sleep; nutrition; exercise; managing change; and financial well-being distributed to all staff globally. Other more recent changes include the launch of pronoun badges launched to normalise the conversation around pronouns, giving specific support to non-binary, non-gender conforming and trans crew.

Supporting the mental wellbeing of our crew is absolutely key and we hope these measures, as well as those we are looking to build on next year (including our new 24/7 Employee Assistance Programme, Paws for Thought section on Huddle, the BrewDog skills School and our "Bring your Whole Self to Work initiative), will support that effort and a make sure all our people feel safe and valued.

Workplace Code

Finally, we have also launched our new Workplace Code for ALL crew members (see [HERE](#)). This is the first time we will have a clear set of standards which provides guidance to our crew on the standards that we expect across the business – ensuring our people know that what they are doing is in line with our Mission, Charter and Dogmas.

This is an important document. We would encourage all crew members to read it and if you have any feedback or questions, do please raise it with your line manager or the HR team. The document sets out our guiding principles as to how we should behave as crew members and will support the development of the culture we want to create.

Moving forward

This has been a challenging period for BrewDog. The culture review has been a huge undertaking. Some of the feedback has been difficult to hear. But the open letter has been a catalyst for change and BrewDog will emerge from this process a better business.

We see incredible momentum inside the business today. Despite the on-going impact of the pandemic, BrewDog has grown by around 25% year on year in 2021. We've successfully



opened 16 new venues around the world, with many more planned next year, not least our flagship venues in Waterloo and Las Vegas. Our awesome teams have brewed and packed over 1 million hectolitres of beer in 2021. And of course we've added 600 new talented people to the company across the globe.

Strong brands provoke strong emotions We know we can't please everybody and we know not everyone will love us. We have not always got it right, and at times this had had a negative impact on our culture. We draw a line under that today. The changes we have already made, the initiatives we are announcing today and the launch of our new Workplace Code, will have a positive impact on every crew member and ultimately, we believe will make BrewDog the best place to work in the industry and beyond.

Notwithstanding the challenges presented by new omicron wave, the 2022 looks set to be the most exciting year in BrewDog's relatively short history and it is a privilege for both of us to be with you on this journey. We hope you have a fantastic Christmas. Look after yourselves and your colleagues, and thank you all for your dedication, commitment and passion. BrewDog is not BrewDog without you.

Yours sincerely,

Allan & Blythe