

The Greencore Way

Corporate Social Responsibility Report 2014



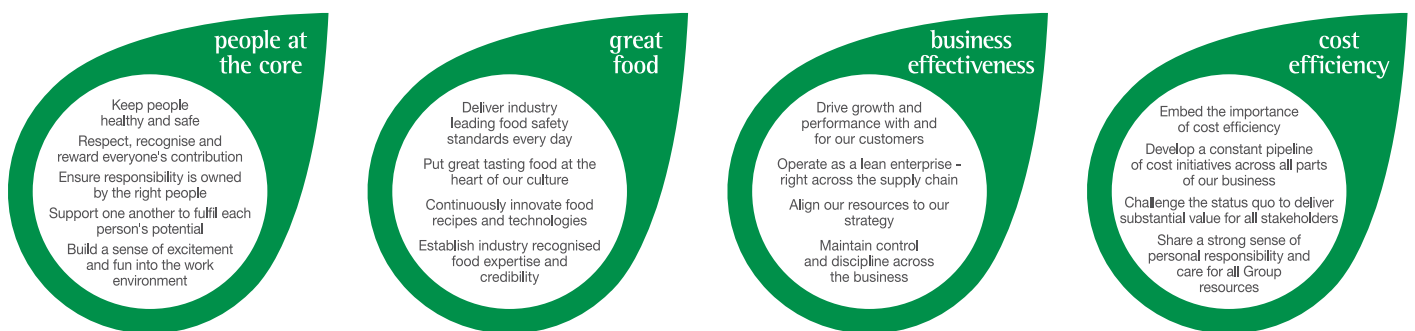
Corporate Social Responsibility Report 2014

The Greencore Way

The Greencore Way describes both who we are and how we will succeed. It is a simple model that brings together all the key elements of what we are about at Greencore. It is based on four core principles that are all central to how we deliver our vision.



Our Principles



Our Stakeholders

Shareholders

Delivering industry leading economic performance

Customers

Delivering excitement, intimacy, growth and trust

Suppliers

Building effective and transparent supply chains

Communities

Doing the right thing for our industry and our communities

Environment

Efficiently using and respecting all resources

Our vision is to be a fast growing, international convenience food leader. We use The Greencore Way to describe who we are and how we will succeed. It sets out four key principles:

- 1) People at the Core
- 2) Great Food
- 3) Business Effectiveness
- 4) Cost Efficiency

Embedding these principles within our business means operating in a sustainable and responsible way. They will enable us to deliver ambitious outcomes for our stakeholders. This report sets out some of our progress to date.

The Greencore Way

The Greencore Way is how we will become a fast growing, international convenience food leader. This year saw the official launch of The Greencore Way at a senior leadership conference in December 2013, with the full roll-out across all of our facilities during the spring and summer of 2014.

We have introduced The Greencore Way in order to strengthen our organisation and culture to enable us to deliver our strategy.

Enhancing our capability: We are very strong in many aspects of what we do, but as the organisation grows and develops so we need to continue to build and enhance our capabilities.

Consistency in our delivery: The Greencore Way gives everyone across the Group a clear, consistent understanding of our strategy and performance.

Clearer, more aligned sense of purpose: We have high aspirations across the Group and The Greencore Way gives us a single aligned view of where we are going strategically and how we will get there.

We recognise that this is a multi-year journey and will take time to embed and become truly cultural for the Group. But the benefits will be significant individually, for our businesses, our functions and our teams. It will deliver:

- A better business; performing strongly and set up for further growth
- A common language and way of working across the enterprise
- A business widely admired by all our stakeholders
- A sense of pride and confidence on which we can build

People at the Core

Keep people healthy and safe

Greencore aims to have industry leading health and safety standards and people are at the core of The Greencore Way. The safety and well being of our employees, agency staff, contractors and visitors are equal in importance to all our business objectives.

We continue to benchmark the Group Accident Incident Rate, shown below. During the period 2003/4 to 2013/14 there has been a reduction in the Accident Incident Rate from 2.49 to 0.76 accidents per 100 employees (see graph). Specifically in the past year:

- The total accident rate for 2013/14 has improved by 12.6%
- Reportable accidents decreased by 10%

However, we are deeply saddened to report that in October 2013 one of our contract colleagues suffered a fatal injury.

Each manufacturing site undergoes a thorough health and safety risk management compliance audit. The Group strives to demonstrate year on year improvement and this year delivered a 14% improvement in its risk audit scores. In addition, seven of the UK sites have been audited independently to the international standard OHSAS18001 and plans are in place for the remainder to achieve this standard by October 2016. Independent specialist audits are also conducted, for example on machinery safety, fire and explosion risk. Specialist Legionella audits are also carried out to assess water quality management and cover written schemes, monitoring and review of results and tracking of improvement actions. A combination of internal and external auditing is a valuable tool in risk management.

A Health and Safety handbook has been launched to bring together Group standards on health and safety. It includes the fundamental safety systems on all sites that individuals are expected to follow, including those for design, build and maintenance procedures.

In the US, we have developed a plan that will further align our sites on Health and Safety. Implementation will maintain a culture of positive action, supporting growth of the business and allowing for continuous improvement. A programme of staff training and engagement is being rolled out throughout the year.



The Greencore Health and Safety Handbook

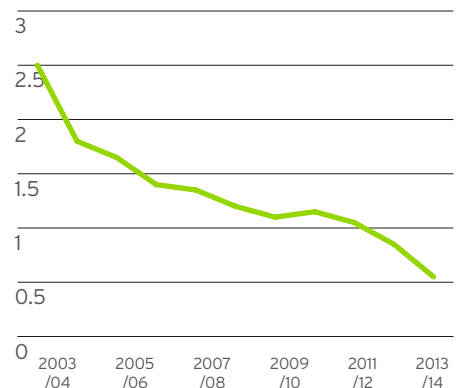
Greencore continues to support the UK Health and Safety Executive Food Manufacturing Forum by providing representation through our membership of the Chilled Food Association and supporting the Institution of Occupational Safety and Health Food and Drink forum through our membership.

The Group has been working with the Royal Society for the Prevention of Accidents ('RoSPA') to develop a bespoke training programme for driving safely. Following a successful pilot all colleagues driving on behalf of the Group will be trained in this important area.

Our Food to Go site in Northampton was awarded the RoSPA 'Gold Medal' after showing ten years of continual improvement in Occupational Health and Safety Management.



Accident Rate per 100 Employees



Corporate Social Responsibility Report 2014 (continued)

Respect, recognise and reward everyone's contribution

Throughout 2014 we celebrated success through our Star Awards programme and Employee of the Month awards which recognised outstanding individual contributions. At our Fredericksburg site in the US, Employee Appreciation week during the summer included a variety of great food and different activities every day.

From FY15, we will have truly integrated reward and recognition within our principles with the launch of The Greencore Way Awards. These will allow all sites across our business to recognise exceptional examples of The Greencore Way in action under each of the four principles.

We also recognise achievements through our intranet, our Group magazine, newsletters and conferences.

Amongst the reasons to celebrate this year, it has been the centenary year of Greencore Grocery Selby. Various activities have taken place throughout 2014 including a tea party for retired colleagues and current long-serving employees, participation in Young Enterprise activities with a local primary school and a 100 mile sponsored bike ride, the 'Tour de Greencore', in aid of local charities.

Support one another to fulfil each person's potential

People at the Core means seeking to recruit and retain the best individuals at all levels of the organisation.

Over the past year a further 40 Greencore managers have participated in the Leadership Academy at one of our UK Regional Training Centres. As an Institute of Leadership and

Management accredited centre, we focus on the development of leadership and food manufacturing skills across our workforce.

Our site learning and development staff, working with the Group Learning and Development Manager, continuously review requirements and find the external providers necessary to grow skills within our workforce.

As a food manufacturer, there is naturally a focus on technical skills. Regular training is provided by the Group Technical Services team on all aspects of the function, from basic food safety through to labelling compliance. In addition, we have supported colleagues obtaining technical qualifications provided externally such as Level 4 HACCP. This year, 866 colleagues received training through the technical programme.

In the second half of the year we launched a structured 'belt' training programme as part of our Lean enterprise model. We currently have 55 colleagues undergoing yellow belt training and two members of our Group Continuous Improvement team working towards black belt.

In the US, foundation level Lean training was carried out at our Salt Lake City, Brockton and Newburyport sites. Action Teams were initiated to apply Lean methods to improve site operations.

Build a sense of excitement and fun into the work environment

While teams across Greencore sites are highly professional, our staff like to take advantage of opportunities to bring fun into the working day. This often focuses on fund raising for charity.

Building in a sense of fun can help inform about serious issues. Manton Wood colleagues learned about food safety, foreign body control and other important topics at the site's Summer Festival. With stalls themed around different cuisines, everyone had the opportunity to improve their understanding of these subjects and then test their knowledge in competitions.

Great Food

Deliver industry leading food safety standards every day

Food safety is a priority for our business and we measure our performance daily across a set of key indicators. All of our sites are subject to multiple internal inspections in addition to those carried out by external bodies. Over the last year, we have carried out 914 internal audits, from routine health checks to unannounced auditing by an independent consultant. In addition, our sites underwent 258 audits by external bodies against retailer standards and other accreditations.

Over the past year we have implemented a system of regular horizon scanning for supply chain risks. This approach enables us to supplement our standard procedures and customer requirements with additional targeted risk-based testing to ensure the integrity of our supply chains.

Put great tasting food at the heart of our culture

As a business built on Great Food, this is often at the heart of any celebrations, whether it be successful product launches, congratulating colleagues for long service or achieving great safety records.



Tour de Greencore



Manton Wood Summer Festival

The formal launch of The Greencore Way provided a great context for site celebrations and many used the occasion to hold 'Great Food' barbecues. Our US head office made sushi-making the focus of one of their Great Food events so that staff could experience for themselves the skill required.

Continuously innovate food recipes and technologies

Innovation in products, packaging and process is central to Greencore's success. In the last 12 months, 30% of all products manufactured in the UK and US are new to market.

Our innovative FlavourLock process enables us to deliver great tasting chilled ready meals with longer shelf life. This has already proved a success with our customers. The products are designed to deliver enhanced flavour and have received some of the highest ever scores from taste panels. In addition, a new packaging design with peelable film makes the dishes easier for consumers to use. While delivering quality to consumers, the products also have benefits in terms of waste reduction achieved through the longer shelf life.

Innovation at Greencore Grocery in Leeds was recognised in the 'Best New Pizza, Savouries & Savoury Bread Product' category for its Yorkshire puddings in this year's British Frozen Foods Federation awards.

Establish industry recognised food expertise and credibility

Our approach to continuously improving standards of food safety and authenticity has won us recognition from our customers, with Greencore sites receiving awards for this at two different retailer conferences.



Great Food Week at Evercreech

This year we also received the British Sandwich Association (BSA) Sandwich Manufacturer of the Year award at our Park Royal Food to Go facility.

Our Stakeholders

Applying The Greencore Way principles will allow us to achieve ambitious outcomes for our stakeholders - these include our customers, suppliers, communities, the environment and our shareholders.

Customers

Delivering excitement, intimacy, growth and trust

We want to deliver excitement, intimacy, growth and trust to all of Greencore's customers. These are the people who buy our products and are our channel to our consumers.

Our customers buy Greencore products based on several factors including quality, safety, innovation and the partnership they have with us. We work closely with our customers to achieve goals, for example on nutrition.

Salt reduction became a focus across the UK industry in 2010 when the Government published targets as part of its Public Health Responsibility Deal. At Greencore, we were already working to decrease salt levels and over the past ten years we have reduced the average amount of salt in our prepared meals range by 35% and in our pasta and cooking sauce range by 60%.

We have also made great progress in reducing salt in other chilled products, with a 20% reduction in the average content across our sandwich range and 45% reduction across our chilled soups.

Our customers have committed to work towards the new 2017 salt targets which were published during 2014. Greencore has also signed up to this commitment.

Our development teams will continue to work with customers towards the new salt targets, incorporating achievements made to date. Greencore met the Public Health Responsibility Deal target to remove artificial trans fats from products early on; we do not use partially hydrogenated vegetable oils as ingredients in our products, or oils and fats containing trans fats.

Suppliers

Building effective and transparent supply chains

We aim to work with our suppliers to build effective and transparent supply chains. We are reliant on our suppliers for the

ingredients and services we use to create great food and have a rigorous supplier approval process operated by our central technical and purchasing functions.

Our UK team of auditors visited 211 suppliers over the last year and carried out 807 desk based audit trails for those approved by a recognised third party.

During 2014 we have worked at Group level to achieve supply chain certification for certain raw materials across a number of sites. This enables the central technical function to ensure that the required systems and processes are implemented consistently across the business.

We hold Group chain of custody certification for Marine Stewardship Council fish across our UK Food to Go sites and Greencore Grocery in Selby for ambient products.

We have also gained multi site supply chain certification for the use of RSPO (Round Table on Sustainable Palm Oil) certified palm oil and derivatives. We continue to use GreenPalm certificates as we work with suppliers to convert all of the palm oil in our supply chains to RSPO certified sources. Our use of GreenPalm certificates has been approved by an independent audit of our compliance with requirements.

Greencore is a member of SEDEX and we are working with our suppliers to encourage their registration. Suppliers who are not SEDEX registered are requested to complete Greencore's own ethical questionnaire at audit visits.

Environment

Efficiently using and respecting all resources

Being effective at managing and using our resources and reducing waste is entirely consistent with our economic and business aims. Every site and individual has a responsibility to conserve precious resources and reduce our impact on the environment.

In 2014, we again responded to the Carbon Disclosure Project Climate Change Program, a global disclosure system for companies to report their environmental impacts and strategies to investors. We continue to work on improving our carbon reporting and, more importantly, working to reduce our carbon footprint. Our disclosure score for this year was 81, our highest score to date. We also recorded a performance band rating of C. We have continued to implement a range of energy efficiency measures, including heat recovery from air compressors, energy efficient lighting upgrades and investment in more efficient hot water boiler systems.

Corporate Social Responsibility Report 2014 (continued)

Global GHG emissions data for period 28th September 2013 to 26th September 2014

	Tonnes of CO ₂ e	
	Comparison year 2012/13	Current reporting year 2013/14
Emissions from:		
Combustion of fuel and operation of facilities (Scope 1)	85,067	77,850
Electricity, heat, steam and cooling purchased for own use (Scope 2)	65,618	71,875
Total emissions (Scope 1 & 2)	150,685	149,725
Intensity measurement:		
(Kg CO ₂ e per £1 sales revenue)	0.126	0.118

Details of our carbon footprint are shown above. This is produced following the guidelines and principles of the WBCSD/WRI Greenhouse Gas Protocol, and covers our Scope 1 emissions (fossil fuels, transport fuel & refrigerant losses) and Scope 2 (electricity), using emission factors from UK Government's GHG Conversion Factors for Company Reporting. The footprint includes all Greencore operating companies for our financial year 2013/14.

In line with best practice and to increase transparency, we have voluntarily reported on all of the emission sources outlined in the UK Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

Overall our total Scope 1 and 2 greenhouse gas emissions have shown a reduction of 960 tonnes (0.6%). The most significant change has come from improved management of refrigerant losses and in particular the change from R22 to other refrigerants such as ammonia with zero GWP.

Our energy efficiency improvements during the year have helped contribute to a reduction in our specific energy consumption of 5.5% over the last two years.

	2011/12	2012/13	2013/14
Energy per tonne of product (kWh/tonne)	1,071	1,054	1,012

Managing our waste

Our priority for waste remains to eliminate and reduce at source. During the year we have successfully rolled out our enhanced Lean Environment programme to two sites. This has engaged employees with Greencore's sustainability agenda, helped deliver reductions in waste in all forms and tackled issues at source rather than the 'end of pipe' solution. We have also increased our work with The Company Shop to enable the diversion of residual stock for human consumption rather than sending it for disposal.

	2011/12	2012/13	2013/14
Tonnes of waste per tonne of product	0.153	0.148	0.147
Waste to landfill*	7.6%	2.4%	6.4%*

* Note - Pre-2013/14 figures are a measure of waste direct to landfill only. 2013/14 represents a measure of total waste to landfill either directly or indirectly.

Having delivered on our initial aim of sending zero waste direct to landfill, this year we have undertaken a full traceability on each of our UK waste streams to understand the final destination of all elements. By the end of September 2014, we had achieved our next goal of zero waste to landfill. All waste from Greencore UK sites now goes for re-use, recycling or recovery. The chart below gives an overview of the destination of all solid waste produced by Greencore's UK sites during 2013/14. The proportion to landfill includes waste materials sent to landfill indirectly, after initial recovery and recycling processes have been completed (e.g. packaging removed from food waste sent to anaerobic digestion). By working with our waste service providers, we have been able to ensure that none of this material now ends up in a landfill site.

Water conservation

As a food manufacturer with exacting hygiene standards, we are inevitably a significant water user. We continue to focus on water conservation and have seen a slight improvement in our water consumption per tonne of product (2.2% reduction against last year).

At our site in Evercreech, we have invested in a significant upgrade in our effluent treatment facilities whilst working hard on reducing effluent generated at source through the lean environment programme. Alongside these projects, we have developed a good working relationship with the water supplier who has been supportive of our aims for the site.

Diversity

The Group is highly cognisant of the need to promote diversity in the workplace, not only gender diversity, but also cultural and age diversity.

We strive to embed a culture which recruits, promotes and develops women in the business.

Ratio of Men and Women

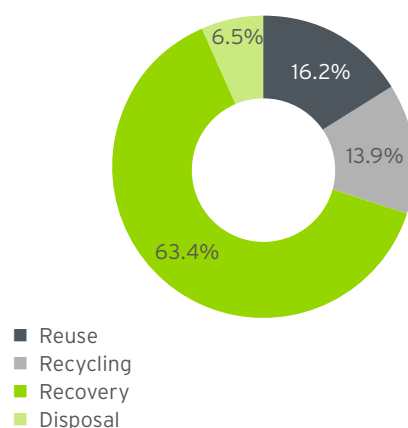
Women currently make up approximately 41% of our Group wide employees. In Ireland, 48% of the workforce is female. In the UK approximately 39% of our employees are female whilst in the US 49% of employees are female.

All Employee Gender Breakdown

Country	Ireland	UK	US
No. of Employees			
Male	23	5,366	673
Female	21	3,478	651
Total	44	8,844	1,324

Female representation on the Greencore Group plc Board is 22%; further details are set out on pages 32 and 33. Female representation on our subsidiary company boards is currently at 16%. In addition 20% of the Group's senior management team are females.

Total solid waste



Water consumption (m ³) per tonne of product	6.73	6.78	6.63
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In June we undertook a Group wide engagement initiative through supporting the UN's World Environment Day. Starting with a poster competition for our colleagues' children to publicise the event, we ran a range of activities at all sites, with great support from a number of key stakeholders including water companies, waste service providers, energy efficient lighting suppliers, WRAP (Love Food Hate Waste campaign) and The Company Shop. Under the theme of 'What can we do to help the environment', the day focused on a fun way of helping employees understand how they can make a positive impact on the environment at home and at work.

Greencore continues to engage in the broader aspects of food supply chain sustainability, through chairing the Chilled Food Association Sustainability Working Group, involvement in the IGD Industry Sustainability Group and active engagement with a number of customer sustainability and environmental working groups and forums. We have also provided representation at the UK Department of Energy and Climate Change workshops developing a road map for decarbonisation of the food and drink sector by 2050 and supported the IGD Working on Waste initiative targeting a reduction in consumer food waste in the UK.

Communities

Doing the right thing for our industry and our communities

A number of Greencore colleagues are Science Technology Engineering and Maths ('STEM') Ambassadors. Our STEM Ambassadors visit schools and careers events to talk about the opportunities in the food industry for students of STEM subjects.

Earlier this year, one of our STEM Ambassadors took part in the Big Bang Science Fair in Birmingham, together with two recent graduates from our technical department. The event brings science alive for children and young people. The team used tools developed with the Chilled Food Association ('CFA') to demonstrate food hygiene principles. Greencore was actively involved in development of the CFA's 'Chilled Education' programme which has made educational materials available for school children.

We continue to support students at Food Science Summer Schools run by the universities of Nottingham and Leeds. These have an important role in encouraging those with an interest in science to study food to degree level for technical roles in the industry.



Food industry representatives, including Greencore, meet the UK Prime Minister for Feeding Britain's Future



Newburyport colleagues provide meal kits to families in need

For the third year running, we have been heavily involved in IGD's Feeding Britain's Future initiative. 600 young unemployed people were invited into our UK sites and given an insight into the industry and the types of opportunities available. They were also provided with some training in basic skills to help improve their employment prospects. This year, we expanded the programme to involve both our UK central office in Barlborough and one of our Direct to Store depots, which was able to employ three young people following the event.

As part of this year's Feeding Britain's Future event, a member of our Prepared Meals team, recruited at a Feeding Britain's Future event in 2012, was invited to Downing Street. Accompanied by our CEO he met the Prime Minister and was able to explain his personal experience of the initiative and the opportunities it has given him.

Greencore supports local communities by providing products to food banks and vulnerable families. Our Newburyport team in the US made meal kits that provided full Thanksgiving and Christmas dinners to 31 families in need in the local community. Staff at Manton Wood in the UK worked with a local food bank to ensure children from poor families did not go without food in the

summer holidays. They donated hundreds of sandwiches to the Snack Pack scheme which allowed children on free school meals to get a nutritious meal every day, free of charge.

In London, our Park Royal Food to Go facility provided sandwiches for the volunteers, crew and production teams at the Breast Cancer Care Show held at the Grosvenor Park Hotel. Our Park Royal facility also supports Great Ormond Street Hospital on a regular basis by providing sandwiches for its Christmas party.

UK sites in the East Midlands regularly fundraise for the local Bluebell Wood Children's Hospice. This year's events have included a half marathon and a 5km 'colour dash' where runners were showered in coloured paint at each kilometre. The total raised for Bluebell Wood across sites has exceeded £11,000.

In 2013, Greencore was recognised with an achievement award from the industry charity, GroceryAid, for its ongoing commitment and support for its fundraising activities in aid of former industry workers that have fallen upon hard times.



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