

GREENCORE PREPARED MEALS LIMITED

STRATEGIC REPORT

The directors present their strategic report for Greencore Prepared Meals Limited (the "Company") for the period ended 25 September 2020 in accordance with the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

SECTION 172 (1) STATEMENT

The Company is a subsidiary of Greencore Group plc (the 'Group' or 'Greencore') and part of the Greencore group of companies. The Company has adopted the Group's extensive processes that are in place to engage with our broad range of stakeholders which are integral to our success.

The Board of Directors of the Company (the 'Board') is committed, both individually and collectively, to promoting the success of the Company through regular engagement with all stakeholders including our colleagues, customers and the wider community. The Board recognises the importance of maintaining strong relationships with each of our key stakeholders and understanding their needs in order to deliver value and build a better, more resilient and sustainable business. When making decisions, the Board ensures that particular regard is given to the following matters set out in s 172(1) (a) – (f) of the Companies Act 2006:

- The likely consequences of any decision in the long term;
- The interests of the company's employees;
- The need to foster the company's business relationships with suppliers, customers and others;
- The impact of the company's operations on the community and the environment;
- The desirability of the company maintaining a reputation for high standards of business conduct; and
- The need to act fairly as between members of the company.

The Board is aware that the Company's actions and decisions impact all of our stakeholders and it ensures that there is regular dialogue taking place with stakeholders, which is carried out by those most relevant to the stakeholder group or issue, and discussed appropriately in the boardroom.

As we initially faced the impact of COVID-19, the importance of our relationships and regular dialogue with stakeholders was brought to the fore as we navigated our way through new challenges together. The table below sets out the Group's and the Company's approach to stakeholder engagement, why stakeholders matter and how these stakeholders influenced key decisions made during the financial year. Our stakeholders can be confident that the contents of our corporate reporting reflect the frameworks for strategy, stakeholder engagement, governance, risk management and culture as established and overseen by the Board.

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STRATEGIC REPORT (continued)

SECTION 172 (1) STATEMENT (continued)

Stakeholder group	Engagement	How this stakeholder group influenced the board agenda and long term decision making (s 172(1)(a))
<p>Our people –s172(1)(b)(e)</p> <p>By embedding a safety culture, providing inspiring leadership and having engaging and effective teams, we ensure that people are at the core of our business.</p>	<p>A significant number of engagement activities with colleagues are undertaken each year. These include the annual and anonymous ‘People at the Core’ engagement survey, as well as listening groups, trade union and employee forum engagements and leadership briefings. In addition, managers are encouraged to solicit feedback from their colleagues, both formally and informally.</p> <p>During the financial year, the Group appointed a Non-Executive Director to become Workforce Engagement Director in order to further strengthen our engagement activities with our colleagues across the Group.</p> <p>The Group Code of Business Practice, which applies to the Company as a subsidiary of the Group, also ensures that the work environment is free of discrimination, free of any practices which amount to racial, religious or sexual harassment and ensures that all colleague personal information is secure and remains confidential. The Code of Business Practice is available is read on www.greencore.com/investor-relations/governance/code-business-practice/.</p> <p>In addition to this, the Group Code of Ethics and Business Conduct, which applies to the Company, also sets out the key principle of ‘People at the Core’ and how the safety, health and welfare of all colleagues is fundamental to this principle. It also outlines how a diverse workforce enables us to achieve better business outcomes. The Code of Ethics and Business Conduct is available to read on https://www.greencore.com/investor-relations/governance/code-of-ethics-business-conduct/.</p> <p>The Company also publishes an annual Gender Pay Gap Report , illustrating that we are committed to review our recruitment, reward, engagement, retention and training and development activities to ensure that they all support us in our commitment to narrowing the pay gap. This report is available to read on www.greencore.com/sustainability/our-responsibilities/.</p>	<p>We hope to strengthen our employee engagement efforts through the development of a flexible working approach to support colleagues who may wish to exercise greater flexibility over the hours they work, or where they work from. This will help us to both improve retention rates and attract a wider recruitment pool in the long term. In addition, the Group plans to introduce an organisational-wide approach to employee forums. This will enable us to listen and respond to colleagues and understand how we can meet their needs as we continue to develop our business.</p> <p>We are also stepping up the level of development for everyone who works for Greencore, so that every salaried colleague who works for the Group will have a personal development plan. We hope that by giving colleagues the opportunity to set out how they would like to progress in their role in the long term, this will further improve retention rates and widen our recruitment options.</p> <p>Our median ordinary gender pay gap across the Company is 5%. This positive pay gap indicates the extent to which, on average, men earn more in gross hourly pay than women. Our analysis specifically shows us that there is more to do in relation to gender balance across our team leader, shift-based and senior management roles. We are working hard to achieve this.</p>

GREENCORE PREPARED MEALS LIMITED

STRATEGIC REPORT (continued)

SECTION 172 (1) STATEMENT (continued)

Stakeholder group	Engagement	How this stakeholder group influenced the board agenda and long term decision making (s 172(1)(a))
<p>Our customers – s172(1)(c)(d)(e)</p> <p>Central to our commercial success is a relentless focus on our customer relationships.</p>	<p>The Group, on behalf of the Company, interacts with our customers on a daily basis at multiple levels. Regular engagement with our customers has been essential during the financial year as we sought to adapt our ways of working throughout the COVID-19 disruption and ensure continuity of supply. In the earliest days, we altered some of our production processes and in some cases paused production of certain products to ensure we could abide by public health guidance in relation to social distancing and protective materials. We also reinvented ways to replicate, virtually, certain customer engagements that historically would only ever take place face-to-face, notably virtual factory audits and virtual product tastings.</p> <p>The Group Code of Business Practice, which applies to the Company as a subsidiary of the Group, also outlines the fundamental principles of integrity, confidentiality and legality when engaging with our stakeholders, including our customers. The Code of Business Practice is available to read on www.greencore.com/investor-relations/governance/code-business-practice/.</p> <p>In addition to this, the Group Code of Ethics and Business Conduct, which applies to the Company, outlines our focus on ethical and fair trading and how we strive to deal fairly and honestly with our customers to sustain our competitive advantage through the provision of excellent products and services. The Code of Ethics and Business Conduct is available to read on https://www.greencore.com/investor-relations/governance/code-of-ethics-business-conduct/.</p>	<p>We will build on the resilience of our customer relationships as we progress further on to rebuild the food to go and convenience food offerings of our major partners.</p> <p>We will also progress further on the product and channel expansion journey, in many cases through partnerships with existing customers.</p> <p>Our customers tell us they need support to help them grow their businesses profitability and sustainably. They seek support from us in particular to differentiate their offering and help them win in the marketplace. More recently, our customers are looking for support from us in the area of sustainability, including initiatives to reduce plastic packaging and food waste. As a result, we have developed a number of sustainability initiatives which can be found in the Group’s Sustainability Report 2020 on www.greencore.com.</p>

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STRATEGIC REPORT (continued)

SECTION 172 (1) STATEMENT (continued)

Stakeholder group	Engagement	How this stakeholder group influenced the board agenda and long term decision making (s 172(1)(a))
<p>Our suppliers – s172(1)(c)(e)</p> <p>The integrity of our suppliers is as important as the ingredients we source.</p>	<p>The Group, on behalf of the Company, interacts with our suppliers on a daily basis given the level of ingredients and packaging purchases we make. In particular, key suppliers with whom we have more strategic relationships are identified by the Group. From time to time, we hold detailed workshops with these key suppliers to drive strategies for mutual benefit.</p> <p>The Group Code of Business Practice, which applies to the Company as a subsidiary of the Group, also outlines the fundamental principles of integrity, confidentiality and legality when engaging with our stakeholders, including our suppliers. The Code of Business Practice is available to read on www.greencore.com/investor-relations/governance/code-business-practice/.</p> <p>In addition to this, the Group Code of Ethics and Business Conduct, which applies to the Company, details the ethical behaviour standards required to be met by our suppliers. To ensure these standards are met, we carry out audits on high-risk suppliers and work with them to continually improve standards towards ensuring the human rights of workers in our supply chain are protected. It also outlines our focus on ethical and fair trading and how we strive to deal fairly and honestly with our suppliers to sustain our competitive advantage through the provision of excellent products and services. The Code of Ethics and Business Conduct is available to read on https://www.greencore.com/investor-relations/governance/code-of-ethics-business-conduct/.</p> <p>The Company also publishes an annual Modern Slavery and Human Trafficking Statement detailing the work we do to address modern slavery and human trafficking. This is available to read on www.greencore.com/sustainability/our-responsibilities/</p>	<p>We recognise that there is an increasing focus on sustainability with our suppliers, particularly in the areas of sustainable sourcing, and working sustainably with our suppliers is a critical part of our strategy. The ethical treatment of workers in the supply chain is also an increasing area of focus and we have developed goals in respect of this as set out in our Sustainability Report 2020. Specifically, the Group is committed to ensuring that by 2030 we will be a business that sources every ingredient from a sustainable and more fair supply chain. In order to do this, we will continue to work with our suppliers to learn as much as we can about where our ingredients come from and how they are produced.</p> <p>Delivering our sustainability goals will make us more purposeful, make us a better business to work with, make us all prouder to be part of the Company and will ultimately ensure that we make every day taste better by making great food for all, that is accessible, healthier and sustainable going forward and in the long term.</p>

GREENCORE PREPARED MEALS LIMITED

STRATEGIC REPORT (continued)

SECTION 172 (1) STATEMENT (continued)

Stakeholder group	Engagement	How this stakeholder group influenced the board agenda and long term decision making (s 172(1)(a))
<p>Local communities– s172(1)(d)(e)</p>	<p>The Company’s operating facilities are generally significant operations in the context of the local communities in which they are located. Colleague representatives from each site have regular dialogue with local representatives and local business groups on relevant matters. The Group, on behalf of the Company, also seeks to support local communities through supporting local education, food donations and charitable giving.</p> <p>The Group Code of Business Practice, which applies to the Company as a subsidiary of the Group, also ensures that the Company’s activities are not harmful or detrimental to the natural environment in which they operate. It also ensures compliance with all relevant environmental legislation. The Code of Business Practice is available to read on www.greencore.com/investor-relations/governance/code-business-practice/.</p> <p>In addition to this, the Group Code of Ethics and Business Conduct, which applies to the Company, also outlines how we interact with our communities and the environment around us in a responsible and sustainable manner. The Code of Ethics and Business Conduct is available to read on https://www.greencore.com/investor-relations/governance/code-of-ethics-business-conduct/.</p>	<p>Recognising the impact that COVID-19 was having on our communities, we stepped up our engagements in multiple ways at national, regional and local level by working with national charities, supporting shielded communities, and making specific food donations across the business to contribute towards local community initiatives throughout the UK.</p> <p>We contributed to the UK Government’s food parcels for the most vulnerable housebound people in the UK and donated hundreds of thousands of food products to National Health Service workers across numerous UK hospitals and care homes.</p> <p>As part of the Group’s sustainability strategy, we strive to source with integrity and we hope to demonstrate leadership on transparency for our sector. Our aspiration is to source every ingredient from a sustainable and fair supply chain by 2030. We need to learn as much as we can about where our ingredients come from and how they are produced. This will enable us to address environmental and social issues such as supply chain emissions, product carbon footprint, biodiversity, deforestation, human rights and animal welfare.</p>
<p>Our shareholder and parent – s172(1)(f)</p>	<p>As a subsidiary of Greencore Group plc, the Company engages regularly with its parent company and has adopted the Group’s extensive processes in order to promote the success of the business.</p> <p>The Group Code of Ethics and Business Conduct, which applies to the Company, also outlines our responsibility to protect shareholder value and to be transparent about our operations and performance. The Code of Ethics and Business Conduct is available to read on https://www.greencore.com/investor-relations/governance/code-of-ethics-business-conduct/.</p>	<p>The Board in its decision making process takes into account the impacts of the decision on the return to the Group on its capital investment in the Company. The Board also regularly considers whether a dividend should be paid from surplus capital.</p>