

## GRENCORE FOODS LIMITED

### STRATEGIC REPORT

The directors present their strategic report for Grencore Foods Limited (the "Company") for the period ended 30 September 2022 in accordance with the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

#### SECTION 172 (1) STATEMENT

The Company is a subsidiary of Grencore Group plc (the 'Group' or 'Grencore') and part of the Grencore 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.

Oversight of the Group, including the Company, is carried out at Group level which is responsible for setting strategic priorities including supporting stakeholder engagement. As usual with large companies, the Group delegates authority for the control and direction of the Company and the day to day management of the Company to the Group Chief Executive Officer and the Group Executive Team. To ensure alignment with the legal entity framework members of the Group Executive Team make up the directors of the Company, together with a finance expert. The Group promotes high standards of corporate governance throughout the organisation and the Company's Board upholds these standards. The Company's Board holds meetings as and when required to consider the impact of key proposals and material matters affecting its business.

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. From the perspective of the Board, as a result of the Group governance structure, the matters that it is responsible for considering under Section 172 (1) of the Companies Act 2006 have been considered to an appropriate extent by the Group board in relation both to the Group and to this entity. The Board has also considered relevant matters where appropriate. 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 within the Group, and discussed appropriately in the boardroom.

Our relationships and regular dialogue with stakeholders continued to be of utmost importance during the period as we navigated our way through challenges presented by the cost of living challenges and recessionary environment in the UK together. The table below sets out the Group's and the Company's approach to stakeholder engagement as the Company follows the Group's processes, 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 consistent with the Group and overseen by the Board. Although relevant to the Company, our customers, suppliers and local communities are not identified as key stakeholders as they are considered directly by other Group entities.

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STRATEGIC REPORT (Continued)

Stakeholder group	Engagement	How this stakeholder group influenced the board agenda and long term decision making (s 172(1)(a))
<p><b>Our people –s172(1)(b)(e)</b></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 prior financial year, the Group appointed a Non-Executive Director to become Workforce Engagement Director in order to further strengthen engagement activities with colleagues across the Group and therefore, the Company</p> <p>In FY22, the Group announced its commitment to provide all colleagues with the opportunity to become shareholders in Greencore Group plc, (the Company’s ultimate parent). The UK Share Incentive Scheme and Irish Share Award were approved in September 2021 and launched in January 2022 for all colleagues across the business. Therefore, colleagues that are employed by the Company are eligible for the UK Share Incentive Scheme.</p> <p>The Chief Executive Officer of the Group carries out regular Group-wide briefings which the Company’s employees are invited to attend. During FY22, the Group launched a change programme, Better Greencore, with the aim of addressing three interrelated challenges – (i) rising fixed cost base; (ii) ability to fully service the Group’s current portfolio from the existing asset base at appropriate margin; and (iii) the relative immaturity of technology infrastructure. Colleagues in the Company were briefed on the impact of the change programme to ensure that the structures to the Group-wide organization were clear and impacted colleagues were appropriately supported.</p> <p>The Group Code of Ethics and Business Conduct, 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.</p> <p>In addition to this, it 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 <a href="https://www.greencore.com/wp-content/uploads/2020/10/Greencore-Code-of-Ethics-Business-Conduct.pdf">https://www.greencore.com/wp-content/uploads/2020/10/Greencore-Code-of-Ethics-Business-Conduct.pdf</a></p>	<p>During FY22, there was continued progress made with the Company and Group’s colleague engagement initiatives. The results of the annual “People at the Core” survey, the retention and recruitment challenges for the Group and Company and how we plan to further improve colleague engagement going forward.</p> <p>In January 2022, there was further progress made in relation to the commitment to provide all colleagues with the opportunity to become shareholders in Greencore Group plc, with the launching of a UK Share Incentive Plan and a similar Irish Share Award. The employees of the Company are part of this plan.</p> <p>During FY22, a group wide organizational change programme was announced, Better Greencore. Company colleagues were engaged throughout the implementation of the change programme to ensure that colleagues were aware of the changes that were being made.</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><b>Our shareholder and parent – s172(1)(f)</b></p>	<p>As a subsidiary of Grencore 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 <a href="https://www.grencore.com/wp-content/uploads/2020/10/Grencore-Code-of-Ethics-Business-Conduct.pdf">https://www.grencore.com/wp-content/uploads/2020/10/Grencore-Code-of-Ethics-Business-Conduct.pdf</a>.</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 to its parent company.</p> <p>During FY22, the Group commenced a share buyback programme with £8.8m being returned to shareholders at 30 September 2022 (£10m completed by 6 October 2022). Subsequent to the period end, the Group announced that it is the Group’s intention to buyback a further £15m during FY23.</p>