

GRENCORE FOODS LIMITED

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. 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.

Our relationships and regular dialogue with stakeholders continued to be of upmost importance during the period as we navigated our way through challenges presented by the cost-of-living challenge and inflationary 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.

GRENCORE FOODS LIMITED

STRATEGIC REPORT (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, human rights and providing inspiring leadership and having engaging and effective teams, we ensure that people are at the core of our business.</p>	<p>Through numerous channels, a significant number of engagement activities with colleagues are undertaken each year, such as colleague forums across our sites, or through the anonymous People at the Core survey and Pulse Engagement Survey. Through these activities, the Board and management are provided with valuable insights from colleagues expressing their views, both positive and negative. Colleagues' views about where they work are obtained from the People at the Core survey results, whereas the colleague forums provide opportunities for 'two-way' dialogue with senior leaders in the business.</p> <p>The Board and employees are regularly updated on the numerous regular communication channels such as weekly CEO videos, the colleague app, Connect+, fortnightly leadership calls, the quarterly leadership forum, while our peer to-peer listening service, Talk2Us, continues to offer colleagues a confidential service that they can use for emotional and social support and the confidential whistleblowing hotline "Speak Up!".</p> <p>The work of the Group appointed Workforce Engagement Director continued in FY24 through meeting with colleagues and providing the Board with valuable feedback which managers have been able to act upon. Additional to above, there were also a number of initiatives continued in FY24 which provided additional feedback, including:</p> <ul style="list-style-type: none"> • 'Walk in my Shoes' a programme which sees senior leaders spend one day a quarter working in the frontline roles; • Introduction of a new people management system, People XD, which further enhances key processes and helps to streamline and standardise work; • Reduce our Impact ('Roi') – to embed wider environmental awareness and ownership, a programme ambassador was created, 'Roi' the penguin, to help colleagues understand our environmental impacts and the actions they can take to help us reduce our consumption; and • In-house online coaching and mentoring portal. • discounted 'staff shops' at several sites; and • continuation of our colleague forums at both site and functional level. <p>The Group Code of Ethics and Business Conduct and Inclusion and Diversity policy, which both apply to the Company as a subsidiary of the Group, also ensure 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>The code 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/sustainability/our-responsibilities/ The Diversity and Inclusion policy is available to read on https://www.greencore.com/about-us/inclusion-diversity/</p>	<p>During FY24, there was continued progress made with the Company and Group's colleague engagement initiatives. The appointed Workforce Engagement Director ensures that colleagues voices are heard in the Boardroom and their interests are taken into consideration when making important decisions.</p> <p>The results of the annual "People at the Core" survey, are utilised to provide insight into the retention and recruitment challenges for the Group and Company and how we plan to further improve colleague engagement going forward.</p> <p>Further, for future improvements there are a number of initiatives to build on those which are ongoing, including;</p> <ul style="list-style-type: none"> • Continued expansion of our 'staff shop' concept to ensure as many colleagues as possible get access to discounted products; • Relaunch our colleague app, Connect +, to ensure it is best utilised to enhance engagement; • Implement more robust team briefing processes during FY25 including regular Town Hall sessions at all sites; • Launch of an employee volunteering scheme to provide colleagues with the opportunity to support local charities; • Provide opportunities for all colleagues to have annual one-to-one development conversations with their managers; • Review the focus we put on The Greencore Way to support our growth journey. <p>Additionally, recognising the importance of a diverse and inclusive workplace, the Group Board approved the Board Diversity Policy, ensuring its alignment with the Group Inclusion and diversity Policy.</p>

GRENCORE FOODS 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))
Our shareholder and parent – s172(1)(f)	<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. Key areas of focus include our financial and operational performance, our strategy for sustainable growth, capital allocation and corporate governance.</p> <p>Our ultimate parent, Grencore Group plc regularly communicates with shareholders through various channels (e.g. website and social media) and the plc Group Executive Team and Investor Relations team meet regularly with equity investors and analysts.</p> <p>Attendance at the Group's AGM and the presentation of our annual and half year results and the associated roadshows also provide opportunities for engagement. Our CEO, CFO and Investor Relations team provide investor meeting updates and feedback to the Board. Our Board Chair, the Executive Directors and our Investor Relations team engaged with a number of our shareholders during the year and in person at the 2024 AGM.</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.grencore.com/sustainability/our-responsibilities/</p>	<p>The Group and Company Boards, in their decision-making process, consider the impacts of the decisions made at the Company level on the return to the Group and ultimate investors when considering the capital investment in the Company.</p> <p>The Group Board also regularly considered whether a dividend should be paid from surplus capital to its parent company.</p> <p>In FY24, the Group committed to a further £50m share buyback programme which was completed in November 2024. Subsequent to the period end, the Group announced that it is the Group's intention to pay a dividend of 2.0 pence per share.</p>

PRINCIPAL ACTIVITIES, REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The Company is a member of Grencore Group plc ("the Group"). The Company's principal activities are that of a holding Company and a Group pension company. There are no plans in place which would significantly change the activities of the Company in the future.

The directors use a range of key performance indicators to measure progress achieved in building shareholder value. Performance of the key performance indicators was as follows:

- Profit on ordinary activities after tax for the financial period was £128.0m (2023: profit £35.0m); and
- Average number of persons, including executive directors, employed by the Company during the financial period was 806 (2023: 833).

RESULTS AND DIVIDENDS

The profit for the period after taxation was £128.0m (2023: £35.0m). A dividend of £120m was paid during the period (2023: £nil). A dividend of £120m was received during the period (2023: £32.0m).

PRINCIPAL RISKS AND UNCERTAINTIES

The Company's operations expose it to a variety of risks that includes operational and commercial risks, including the following;

GRENCORE FOODS LIMITED

Risk	Mitigations and Controls
<p>Cyber Security</p> <p>The cyber threat landscape is complex and constantly evolving. In common with all large organisations, the Company is exposed to the risk of a cyber-attack that could threaten the availability and integrity of its systems, and the confidentiality of data. Such attacks could cause significant business disruption and cause financial and reputational damage to the Company.</p>	<ul style="list-style-type: none"> • Dedicated IT Security team working in partnership with industry-leading cyber security partners with a 24 x 7 x 365 Security Operations Centre and best-in-class security tooling. • To seek assurance on our cyber security controls, which are aligned with global standards, the IT department engage with expert partners to conduct a rigorous schedule of audit and testing, which includes regular penetration tests and 'red team' exercises. • Comprehensive policies, standards, procedures, and risk management frameworks. • Mandatory security awareness training and assessments for all users. • Automated patching of operating systems to ensure speed, efficiency, and completeness
<p>Organisational Resilience</p> <p>The external environment is increasingly volatile and uncertain, and like all large, complex businesses, the Company is exposed to a range of potentially disruptive influences, from geopolitics to climate change and rapid advancements in technology. A failure to effectively build resilience into Company strategy and operations may result in it being less equipped to survive, innovate and thrive, in the face of future risk.</p>	<ul style="list-style-type: none"> • Centralised coordination of the resilience agenda through the Group Risk & Resilience function. • New Group Company Crisis Management Framework, providing structured incident management processes, roles and responsibilities, and toolkit. • Detailed manufacturing site business continuity plans. • Commercial and operational agility to quickly respond to incidents, rationalise product category, range, and mix, or adapt supply arrangements. • Close working relationships with our customers and supply chains enables effective cooperation and collaboration in times of disruption. • A dispersed, diverse, and broad national manufacturing network providing agility and flexibility.
<p>Legal and Compliance</p> <p>The Company's activities are subject to a complex and constantly evolving regulatory landscape, and recognise that an effective internal control and compliance environment will be an important factor in our success. Failure to comply with regulations and to enforce an effective internal control environment may lead to serious operational, financial, reputational and/or legal risk.</p>	<ul style="list-style-type: none"> • The Company remains committed to complying with all industry-specific and wider regulatory requirements and upholding the highest standards of corporate governance. • Group in-house and external legal and regulatory compliance expertise is in place to interpret regulatory requirements and consult, guide, and advise the business as needed. • Mature Group Internal Audit function providing independent assurance across a risk-based annual audit plan. • Second line of defence compliance functions in key risk areas, including Food Safety, Health and Safety, Finance, Legal and IT. • Central Group Compliance and Controls function providing oversight and coordination. • Finance Internal Controls assurance framework. • Broad assurance and monitoring provided across a range of regulatory compliance areas, including assurance received from third-party independent, regulator, and customer inspections and audits.
<p>Health and Safety</p> <p>The nature of the Company's operations exposes our colleagues to inherent risks, with the workforce encountering potential hazards on a daily basis. Ensuring the health and safety of our colleagues is of paramount importance at Grencore, but without effective management, these risks could result in accidents leading to harm to individuals, as well as reputational and potential financial damage.</p>	<ul style="list-style-type: none"> • Strong leadership Team commitment to embedding a safety first culture across all business activities. • Central function specialist, expert, qualified and competent Safety, Health & Environment professionals providing oversight, policy guidance, and monitoring. • Comprehensive health and safety processes, procedures, and training in place. • Rigorous monitoring protocols including annual health and safety audits and operational physical inspections provide assurance of ongoing control and compliance.

GREENCORE FOODS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 27 September 2024

Risk	Mitigations and Controls
	<ul style="list-style-type: none"> • Maintenance of KPIs to provide insight into the effectiveness of health and safety management. • Robust incident investigation process to ensure risk controls can be communicated for shared learnings to prevent reoccurrence. • Professional membership and liaison with industry bodies to benchmark performance, best practice and technological advancement in managing health and safety.
<p>IT Systems The Company relies heavily on information technology to support the business, which requires continuous investment and innovation. Failure to successfully modernise and standardise the IT estate may lead to inefficient operations, ineffective decision-making, and an inability to build and maintain competitive advantage, impacting Company performance.</p> <p>Credit Risk The Company's receivables from fellow Company undertakings are repayable on demand and the financial position of the Company could be materially impacted by the failure to recover the carrying value of receivables.</p> <p>Recoverability of Investments The financial position of the Company could be materially impacted by the failure to recover the carrying value of investments.</p>	<ul style="list-style-type: none"> • Existing IT systems enable the Company to successfully deliver its operational requirements, and our IT department ensure that systems are supported. • Technology risks are qualified and mitigated by a comprehensive suite of general IT controls, aligned with industry standards, and these controls are subject to internal and external audit. • Executing on business agreed priorities for application rationalisation through the Making Business Easier programme. • Hardware lifecycle, and asset management policies and procedures in place. • Continued investment within the IT function dedicating resource for continual improvement of the IT estate. • IT risk management processes are well established, including second line and external assurance. • Formal IT Disaster Recovery processes • The directors are satisfied that these receivables could be paid using finance facilities available to the Group and utilising Group predefined funds flows if required. <ul style="list-style-type: none"> • The Company assesses investments for impairment whenever events or changes in circumstances indicate that the carrying value of an investment may not be recoverable. If any such indication of impairment exists, the Company makes an estimate of its recoverable amount. When the carrying amount of an investment exceeds its recoverable amount, the investment is considered impaired and is written down to its recoverable amount.