



A LEADING CONVENIENCE FOOD MANUFACTURER

Sustainability Report 2018



SUSTAINABILITY REPORT 2018

CORPORATE SOCIAL RESPONSIBILITY GROUNDED IN THE GREENCORE WAY

The focus of this report is on our continuing business in the UK, but where relevant we have highlighted notable performance in our discontinued US business.

We have already introduced The Greencore Way on page 1 – it is who we are and how we win. The Greencore Way is integrated into every aspect of how we do business, and thus it is appropriate that we focus our corporate social responsibility report on how we deliver for each of the six stakeholders to The Greencore Way: our own 'People at the Core', as well as the environment, the communities in which we operate, our suppliers, our customers and our shareholders.

In building our reporting, we share material information on how our operations affect each of these stakeholders and how we aim to maximise benefit to them while minimising or mitigating negative impacts. Targets are in place for us to improve on these metrics over time and our corporate social responsibility agenda has Board sponsorship through the CEO, CFO and Senior Independent Director.



OUR STAKEHOLDERS

ENVIRONMENT	COMMUNITIES	SUPPLIERS	CUSTOMERS	SHAREHOLDERS
Efficiently using and respecting all resources	Doing the right thing for our industry and our communities	Building effective and transparent supply chains	Delivering excitement, intimacy, growth and trust	Delivering industry leading economic performance

OUR PRINCIPLES

PEOPLE AT THE CORE

- Keep people healthy and safe
- Respect, recognise and reward everyone's contribution
- Ensure responsibility is owned by the right people
- Support one another to fulfil each person's potential
- Build a sense of excitement and fun into the work environment

GREAT FOOD

- Deliver industry leading food safety standards every day
- Put great tasting food at the heart of our culture
- Continuously innovate food recipes and technologies
- Establish industry recognised food expertise and credibility

BUSINESS EFFECTIVENESS

- Drive growth and performance with and for our customers
- Operate as a lean enterprise – right across our supply chain
- Align our resources to our strategy
- Maintain control and discipline across the business

COST EFFICIENCY

- Embed the importance of cost efficiency
- Develop a constant pipeline of cost initiatives across all parts of our business
- Challenge the status quo to deliver substantial value for all stakeholders
- Share a strong sense of personal responsibility and care for all Group resources

PEOPLE AT THE CORE

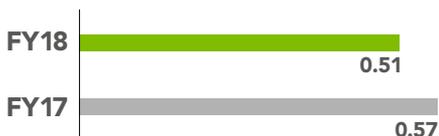
Putting People at the Core is the underlying principle of The Greencore Way. We want Greencore to be a great place to work where our people are healthy and safe and have real opportunities to develop their careers. Treating our colleagues with dignity and respect is a cornerstone of this, and we also recognise our role in confronting people challenges in the global supply chain, including modern slavery.

HEALTH, SAFETY AND WELLBEING

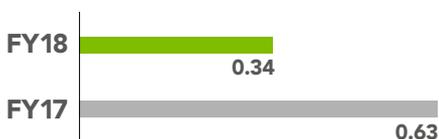
The health, safety and wellbeing of our colleagues are fundamental to the Greencore principle of People at the Core. We aim to keep people healthy and safe by first and foremost providing a safe working environment, with a culture that promotes healthy life choices and supports physical and emotional wellbeing.

Our health and safety performance metrics have shown good improvement across both geographies, with the average Accident Incidence Rate per 100 employees in the UK reducing from 0.57 in FY17 to 0.51 this year. The equivalent metric in the US, reduced from 0.63 to 0.34. In the UK, we are pleased to be recognised by the Royal Society for the Prevention of Accidents at Northampton (President’s award), Wisbech (gold award) and Park Royal (silver award). This year, each of our UK facilities was subject to an independent third party health and safety compliance audit. Our facilities continue to develop in line with our health and safety roadmap and in FY18 we have focused on machinery safety, engaging an independent assessment in line with the ‘Provision and Use of Work Equipment’ Regulations across the UK facilities. Another priority has been improving our contractor management, with new procedures launched and full training across the business.

Accident Incidence Rate per 100 employees (UK)



Accident Incidence Rate per 100 employees (US)



Our focus in the year has also been on delivering a consistent occupational health service for the future. This model will be more progressive, as we standardise our occupational health services and implement an Employee Assistance Programme. In the UK, we are progressing with accreditation to relevant standards and now have nine of our facilities independently accredited to OHSAS 18001¹. Some of the key activities we will build upon in the coming year include: ‘Know your numbers’ educational support days encouraging employees to learn more about their health and wellbeing; rollout of ‘Mental Health First Aid’ training to managers; and organisation of monthly wellbeing themes across facilities, to shine a spotlight on health issues as well as to provide wellbeing tips and activities to support healthy lifestyles.

EMPLOYEE ENGAGEMENT

People are at the heart of what we do at Greencore. As such, we seek to fully engage our colleagues, to drive understanding, awareness and connectivity to the business and fellow colleagues.

The Greencore ‘People at the Core’ survey has shown that engagement is strong. In our most recent survey, overall engagement was 81% across the Group (82% in the US and 80% in the UK). We are in the process of reviewing our survey mechanism to ensure its effectiveness.

Across the Group, we use colleague forums and listening groups to continue to build engagement and drive improvements, while in the UK, union forums provide another mechanism for communication and engagement.

We also operate the ‘My Core Benefits’ online portal, giving colleagues access to benefits against a range of shopping, leisure and service providers. Having launched this in the UK in FY17, we rolled it out to US colleagues in FY18.

DIVERSITY

At Greencore, we aim to ensure that all our colleagues have the opportunity to grow their careers and be themselves at work. This is not only the right thing to do for our people – we believe that diversity also enables us to achieve better business outcomes.

In striving for this, we use a broad definition of diversity, to encompass age, gender, sexual orientation and ethnicity as well

¹ Occupational Health and Safety Assessment Series, recognised standard for occupational health and safety management systems.

as educational, attainment social background and experience. Our Diversity and Inclusion Policy, which was launched this year, outlines our commitment not to discriminate (nor tolerate any colleague discriminating) against any colleague or potential colleague on such grounds. We will rollout and measure against the policy over the course of FY19.

This year, we have also taken a number of actions to further develop and diversify our pool of operational managers, including the introduction of our trainee manager scheme in the UK. We have ran diversity listening groups across the country to better understand the barriers to career progression. Overall, we received good engagement, with feedback from the groups indicating that colleagues felt they could grow their careers in the way best suited to their needs. In the US, we completed annual Equal Employment Opportunities Commission reporting, to demonstrate our commitment to equal opportunity employment.

In terms of the gender mix of our employees, we have 40% female and 60% male colleagues in the UK, while in the US, the split is 54% male and 46% female. During FY18, we published information on pay by gender in our UK business, in accordance with new UK regulations. Across the four Greencore entities reported, the pay gap between male and female colleagues was below the national median pay gap of 18.4%. We continue to review our recruitment, retention and development practices surrounding under-represented groups.

NON-FINANCIAL INFORMATION REPORTING

New regulations on non-financial information mean that we must report on a series of topics listed below. We provide information on these matters across this report, as well as in our Directors’ Report. We have included page references to the most relevant information on these topics below:

- Employee matters – see People section, pages 37-38
- Respect for human rights – see People section, pages 37-38 and Suppliers section, pages 42-43
- Environmental matters – see Environment section, pages 39-41
- Social matters – see Communities section, page 42
- Anti-corruption and bribery – see People section, page 38
- Diversity – see page 37 (above) and our Directors’ Report, page 56

SUSTAINABILITY REPORT 2018 CONTINUED

LEARNING AND DEVELOPMENT

The focus for our learning and development function is to build capability among our people and to support them in developing themselves and our business.

During FY18, in the UK, we launched 'Grow with Greencore', a learning resource that builds capability aimed at our management and leadership populations. This has been a great success with over 1,200 live users regularly accessing the material. The initiative has been recognised externally with multiple awards including the Chartered Institute of Personnel and Development award for 'Best Learning & Development Initiative' and the Institute of Grocery Distribution 'Learning & Development' award. Additionally, there are over 1,670 registered users on the Greencore line manager framework, a tool used to help build management capability.

In addition, we have launched the Greencore 'Trainee Manager' programme in the UK, an entry-level talent programme, aimed at people entering the workforce for the first time or those wanting to restart their career. The initiative places people in roles within Greencore, supported by a structured development plan, while in parallel they participate in a degree programme which is funded by the apprenticeship levy.

In the US, we launched the 'Back to Basics' programme, a standardised new hire and refresher training course aimed at improving knowledge of workplace safety, food safety and human resources across our network. We also introduced a 'Core4' supervisory

training programme in early 2018 which aims to upgrade capability across the supervisory population.

ETHICS

Our approach to ethical trading is outlined in our Ethical Code and Employment Standards Policy, which highlights our commitment to high standards of ethical and environmental practices. Our approach is informed by the International Labour Organization's 'Declaration on Fundamental Principles and Rights at Work' and the United Nations ('UN') 'Guiding Principles on Business and Human Rights'.

Each of our UK facilities is subject to an ethical audit and we conduct regular reviews of ethical priorities with our customers as part of our ongoing relationships with them.

Integrity is a fundamental principle of our Code of Business Practice, and we have many policies in place across the business to support this. This includes an Anti-Bribery and Corruption Policy as well as a detailed manual, explaining, in clear language, what is considered as bribery and corruption and the implications of such offences. Refresher training on anti-bribery and corruption is planned for FY19. Other policies include our Code of Conduct Policy, Dignity at Work Policy, our Diversity and Inclusion Policy, Ethical Code and Employment Standards Policy and our Inclusive Recruitment Policy.

MODERN SLAVERY

We strive to achieve a workplace free of modern slavery and adopt a zero-tolerance

approach to this issue. In support of this aim, we have created an internal steering committee to drive progress in combatting modern slavery. In the UK, all of our facilities are 'Business Partners' with Stronger Together, a multi-stakeholder, business-led initiative aiming to reduce modern slavery.

In addition to this, we have implemented a comprehensive education programme, which includes the development of procedures for managing incidents of modern slavery and training on how to spot the signs of slavery for key members of our human resources team and for our agency colleague providers. This initiative is supported by the UK's 'Gangmasters and Labour Abuse Authority'. We have also reviewed our eligibility to work systems and started implementation of new pre-employment checks.

Greencore complies with the requirement of the Modern Slavery Act 2015, to produce a slavery and human trafficking statement for each financial year of the organisation. This is published on our website.

WHISTLEBLOWER

Greencore provides an independent whistleblower line which is available to all employees to report any concerns anonymously.

The Risk Management Group provides independent oversight of any whistleblower reports to the Group Audit Committee, ensuring any concerns raised are investigated fully and appropriate actions taken where required.



GREENCORE QUALIFICATIONS

In the UK, our 'Greencore Qualifications', a programme, funded by the UK apprenticeship levy, enables us to further build capability in food technical, management, project management and human resources, by awarding formal qualifications up to degree level. Anyone can apply, with over 230 people starting in FY18, studying across nine different qualifications.

"I see the qualification as a very important step in my professional and personal development."

"You can learn so much, not just from the course content, but from the other students on the course from the different backgrounds, ages etc."

Greencore Qualifications participant feedback, 2018.

ENVIRONMENT

At Greencore, we are committed to conducting our business activities in an environmentally responsible and sustainable manner, efficiently using and respecting all resources.

During FY18 we have rolled out our environmental roadmap to all UK facilities to provide a framework for improvement that is routinely measured and reviewed. We have implemented formal reviews, risk assessment processes and best practice sharing to help drive improvement across the business.

In FY18 we also completed re-certification of the environmental management systems ('EMS') of certain facilities, in line with the updated EMS standard ('ISO14001') introduced in 2015. Our certification of three facilities in FY18 means that all previously certified facilities have now transitioned to the new standard.

Our sustainability team continues to work closely with a number of our UK customers to support their sustainability aims and commitments and actively support the Chilled Food Association's sustainability working group.

WASTE

Food waste has been a major focus for the food sector this year. We have committed to the UN Sustainable Development Goal ('SDG') 'target 12.3' to halve our food waste by 2030, and have joined a group of companies leading progress to achieve this target, the 'Friends of Champions 12.3'. We have also been recognised by the 'Support the Goals' non-profit initiative which celebrates businesses which support the SDGs.

In September 2018, we published our food waste inventory for FY17 for our UK business, which provided a comprehensive assessment



One of our distribution depots

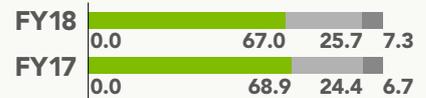
of food waste to all destinations and established a baseline of 10.7% food waste as a percentage of production. Our target for 2030 is, therefore, to achieve below 5.35% food waste by 2030 in the UK in line with the UN target of 12.3. During the year we contributed to workshops leading to the publication of the joint Institute of Grocery Distribution/Waste and Resources Action Programme ('IGD/WRAP') food waste reduction roadmap and provided input into the development of guidance on assessing food waste losses to drain.

We have also continued to develop our partnerships with key organisations to support the redistribution of food for human consumption in the UK. During the year we redistributed 791 tonnes of food to Fareshare, and The Company Shop/Community Shop, equivalent to around 1.9 million meals, and established a new outlet with the redistribution charity The Felix Project in West London.

In the UK, our total food waste for FY18 was 40,912 tonnes, a reduction of 1,268 tonnes versus FY17. Waste as a percentage of production was down from 10.7% to 10.5%.

A significant contributor to this was a new operational excellence team which was established to drive performance, initially focusing primarily on our sandwich facilities.

Total solid waste removal from sites (UK manufacturing)



UK food waste and surplus data FY18

Description of destination	Tonnes	As % of production	Total tonnes	Total as % of production
Waste avoided				
Redistribution for human consumption (Company Shop, Community Shop, Fareshare)	791	0.2%	5,686	1.5%
Animal Feed	4,895	1.3%		
Food waste				
Co/Anaerobic Digestion	32,202	8.3%	40,912	10.5%
Controlled Combustion	1,964	0.5%		
Sewer	6,395	1.7%		

SUSTAINABILITY REPORT 2018 CONTINUED

PLASTICS

During FY18, teams from our purchasing, technical, development and sustainability departments have been engaged in cross-functional activities to review our use of plastics in product packaging and identify ways to remove it or improve recyclability and recycled content. Greencore supports the 'Plastic Pact' commitments for 2025 which were signed by the UK's Chilled Food Association on behalf of its membership.

In the UK, we introduced a peelable sandwich skillet lining enabling the cardboard to be separated and recycled. In total we have removed over 350 tonnes of plastics from our UK products during the year, including 293 tonnes of hard plastic lids from a ready meal range.

We continue to work with our packaging suppliers to increase the levels of recycled content in packaging and have been engaged in pilot trials to improve recyclability of black plastic trays.

We are exploring opportunities to recycle more plastic waste generated throughout our operations. As part of our celebration of World Environment Day in June 2018 we provided 1,500 reusable water bottles to UK colleagues as part of our commitment to phase out single-use plastic water bottles in favour of on-site drinking water facilities.

ENERGY AND CLIMATE CHANGE

At Greencore, we are committed to managing our carbon footprint and aim to significantly reduce this over time. Our annual carbon footprint has been produced using the UK's Department for Environment, Food and Rural Affairs environmental reporting guidelines and the UK government conversion factors for company reporting. We have included both Scope 1 emissions (fossil fuels for process, transport fuel and refrigerant losses) and Scope 2 (electricity).

Overall, we have seen a reduction in our total emissions from last year, largely due to a reduction in our Scope 2 emissions (reflecting an increased share of renewable energy in UK electricity generation). The reduction is also

driven by further energy efficiency improvements we have implemented and changes to our portfolio of facilities.

As part of the UK government's Energy Savings Opportunity Scheme ('ESOS'), all of our UK facilities are subject to a mandatory energy assessment every four years, with a view to improving their energy efficiency. In the intervening years, we continue to assess our facilities on a rolling basis against in-house best practice guides to maintain momentum towards our improvements goals. During FY18, we completed such assessments on one-third of our UK facilities to identify further opportunities for energy efficiency and carbon reduction. We have also established a plan for compliance with the second phase of ESOS assessments which will take place in 2019.

Emissions are summarised below, all reported as CO₂ equivalent ('CO₂e'):

Emissions from:	Tonnes of CO ₂ e ²			
	US		UK & I	
	FY17	FY18	FY17	FY18
Combustion of fuel and operation of facilities (Scope 1)	9,536	9,264	71,648	66,336
Electricity, heat, steam and cooling purchased for own use (Scope 2)	36,138	35,365	44,903	32,389
Total emissions (Scope 1 & 2)	45,674	44,629	116,551	98,725
Ratio (KgCO ₂ e per £1 sales revenue)	0.052	0.042	0.081	0.066

2 In FY18 we have moved to a new bespoke reporting tool resulting in a correction to our Scope 1 & 2 emissions reported for FY17.



Primary energy consumption per tonne of product (UK manufacturing)



Primary energy consumption per tonne of product for our UK manufacturing operations has reduced 8.5% from last year. This is due in part to the closure of Evercreech and sale of Hull (two of our more energy intensive production facilities), but also due to continued focus on delivering energy efficiency improvements. In the last five years, we have achieved a total reduction in primary energy per tonne of product of 22%. An example of our improvement efforts can be seen with the combined heat & power ('CHP') plant at our Selby facility. The CHP plant runs off biogas from the on-site anaerobic digestion plant for effluent treatment, and in FY18, generated around 11% of the site's electricity. From 1 October 2018 we have moved to a 100% renewable electricity supply for all of our UK operations.

Looking to FY19, we will evaluate the opportunity either to establish science-based targets for emission reductions, or to establish an alternative quantifiable target to support our aims to significantly reduce our carbon footprint.

WATER

We continue to promote the efficient use of water, and encourage water conservation measures, without compromising hygiene standards.

Water consumption per tonne of product (UK manufacturing)



In the UK, our overall water consumption per tonne of product reduced by 2% year-on-year from 6.59 to 6.45, giving a cumulative reduction of 7.2% in the last five years.

During the year, we have completed a number of projects that will help to reduce our water consumption. This has included a new



Colleagues review line performance

standard for tray wash facilities at our food to go sites, reducing both energy and water consumption. Our Crosby facility has successfully trialled an alternative cleaning regime that improved standards while delivering a 40% reduction in water usage. We will evaluate the new process for potential rollout to other facilities next year.

We have also engaged in water reduction activities within the supply chain. For example, we have worked with a key supplier of lettuce to our sandwich business to start supplying from a new facility using hydroponics. This has enabled a 90% reduction in water consumption for this product.

POLLUTION PREVENTION

We endeavour to minimise the impact of our facilities on the local environment and communities in which we operate.

In the UK, as part of our extensive redevelopment of our Warrington facility, we have significantly invested in a new odour abatement system to minimise potential nuisance to the local community. Throughout the site development, the local residents' committee regularly visited the site and received updates on actions to minimise impact on them from the development and expanded operation.

We have also sought to actively manage impacts from a new effluent treatment plant at our Park Royal facility, due for completion by early 2019. We have used innovative 3D spill modelling to identify potential pollution risks and plan key containment measures. This will enable us to prevent pollutants from escaping the site either in case of a spillage incident or in the case of a fire, which raises a pollution risk from fire-fighting water run-off.

LOGISTICS

This year, we have upgraded our chilled distribution fleet in the UK with enhanced engine technology and improved aerodynamics. We have seen improved fuel efficiency and a 25% reduction in CO₂e emissions per mile.

Our logistics team has focused on improved vehicle optimisation, achieving 90% use during engine running time, and upgrading our van specification with 330 'Lightfoot' units installed over the last two years. These units provide live, in-cab coaching to help drivers improve both fuel efficiency and road safety, delivering a 14% reduction in fuel use and a 112 tonne reduction in emissions.



SUSTAINABILITY REPORT 2018 CONTINUED

COMMUNITIES

As a large and growing business, we are aware of the significant impact we have on the world around us. This is why we are committed to doing the right thing for the communities in which we operate and the industry in which we aspire to be a leader.

During FY18, we supported our local communities through a number of country-wide activities in the UK and many local, site-based initiatives across the UK and US.

At national level in the UK, we work with GroceryAid, a grocery industry charity supporting former and current grocery industry workers and their dependents who find themselves in financial difficulty. We participate in the committee work at GroceryAid, support the charity's various fundraising activities and provide marketing support on social media – helping the charity to raise its profile further.

We also support the Institute of Grocery Distribution ('IGD'). IGD is a research and training charity which sits at the heart of the UK's food and grocery industry. IGD's 'Feeding Britain's Future' initiative brings together stakeholders from across the grocery industry to support young people and equip them with skills to be successful in the workplace. Since its launch in 2012, Greencore has played a key

role in the initiative as an active committee member, providing volunteers to support engagement programmes in schools across the UK.

At the local level, the majority of our manufacturing facilities across the Group, work with organisations in their local communities, providing support through volunteering, sponsored fundraising events and donations of food and other items.

Within the community of the UK food industry itself, we have funded places at 'Food Science Summer Schools' both directly and through our membership of the Chilled Food Association and the IGD. Members of our technical team are Science, Technology, Engineering and Maths ('STEM') ambassadors and regularly give presentations to school students on careers in the food industry.

Also in the UK, we are represented on the review panel for the AgriFood Training Partnership. This is a consortium of universities, funded by the Biotechnology and Biological Sciences Research Council, which provides specialist training to technical staff working in the agriculture and food sector. We are also an advisory member to the 'Knowledge Transfer Network' providing a valuable connection between industry and academia.

SUPPLIERS

SUPPLIER MANAGEMENT

Greencore places great emphasis on the integrity of our supply chain. In the UK, we have a dedicated team of auditors who approve all suppliers. In the last year, this team has conducted 142 audits, 985 approvals, and 130 matrix reviews of agents and brokers. We require all suppliers to achieve recognised food safety standards, including BRC (formerly 'British Retail Consortium') certification for agents and brokers. Outbound storage and distribution services, including our own, also require BRC certification.

In the UK, we have a team of Subject Matter Experts ('SMEs') who work closely with our procurement team on supply chain coordination, and manage supply chain events, such as the discovery of avian influenza in the UK's egg supply chain last year. During FY18, our SMEs and raw material technologists carried out 140 supplier visits, and have delivered innovations such as hydroponic 'ready-to-eat' herbs which achieve improved quality, higher microbiological standards and greater sustainability, with less water usage.

We source ingredients for our products from global supply chains, and we understand the impact of supply chains on the environment, biodiversity and populations. We have implemented standards for certain raw materials using, for example, the 'British Lion' (egg traceability), the British 'Duck Assurance Scheme' as well as salmon assured by the Royal Society for the Prevention of Cruelty to Animals. Beyond this, we continually review and develop our sourcing standards in partnership with our suppliers.

Greencore is a member of the Roundtable on Sustainable Palm Oil ('RSPO') and we maintain multi-site RSPO certification for certain UK facilities. We carry out annual internal audits for compliance with the RSPO chain of custody standards at each of the facilities in the programme. A number of these are also selected for surveillance audits by an authorised certification body. Our aim is to use 100% certified sustainable palm oil in our products, and we achieved 99% certification in our most recent communication of progress to the RSPO.

We have also completed the annual CDP (formerly Carbon Disclosure Project) forests questionnaire for several years including data on timber products and palm oil.



A customer and colleague harvest festival event at Manton Wood

90% of the card used in our primary packaging is from sustainable sources.

In addition to this, we hold Group Marine Stewardship Council certification for our UK food to go facilities, demonstrating our commitment to sustainable fisheries. These also receive annual compliance audits as part of our internal governance with a sample selected for surveillance by the certification body.

ANIMAL WELFARE

Greencore takes animal welfare seriously and we influence best practice by requiring appropriate standards from our suppliers and other participants within the supply chain.

We take animal welfare standards into account during our supplier approval process, and require our suppliers to comply with certain welfare standards for eggs, poultry and red meats. All UK suppliers use material approved with the 'Red Tractor' traceability and quality standard, with seven welfare schemes currently in use.

Our Animal Welfare Policy specifically excludes the use of raw materials from slaughterhouses that practice unstunned slaughter. During FY18, a new state of the art CO₂ chicken slaughterhouse was introduced to current supply chains in the UK.

Our technical team has expertise in animal products spanning meat, fish, poultry and eggs and gives guidance on sourcing strategies and supply chains, while our UK 'protein' SME is a member of the Humane Slaughter Association. During FY18, we visited 10 slaughterhouses and three farms supplying meat into our UK manufacturing facilities.



ETHICAL TRADING

We work with our suppliers to build effective and transparent supply chains. This includes understanding social standards in our supply chain and encouraging our suppliers to operate to the same ethical standards that we employ ourselves.

In the UK, during our supplier approval process, suppliers are provided with a copy of our Ethical Trade Policy, which is aligned to the base code of the Ethical Trading Initiative, a multi-stakeholder group which promotes ethical trade. They are also required to register on the Supplier Ethical Data Exchange ('SEDEX'). We have achieved 95% registration of our top 500 raw material suppliers, and have also begun a programme of engagement with suppliers to ensure that they understand our expectations on ethical trading and to provide support where possible.

In addition to this, we are members of the Food Network for Ethical Trade ('FNET'), an initiative within the UK food industry that aims to improve human rights in global food supply chains through a common approach to managing ethical trade. Greencore coordinates a working group

focused on ethical trade within the spices supply chain, involving seven suppliers and three retailers.

In our Slavery and Human Trafficking Transparency Statement, we set out the measures we are taking to prevent modern slavery in our supply chains, in addition to our own operations. We have carried out an assessment of our raw materials to identify areas most at risk of modern slavery and human rights abuses and we are targeting these through our supplier engagement programme.

FOOD SECURITY

Climate change, the growing global population and pressure on resources all threaten food supply chains. We aim to develop sourcing strategies that promote security of supply and enable us to deliver Great Food to our customers.

Our sourcing strategies are informed by horizon scanning for future risks. Other strategies include promotion of integrated supply chains, reduction of supply chain complexity and adoption of assured standards for certain raw materials. Diversification of our ranges with an increase in production of plant-based products is also helping to meet increased consumer demand for vegan and vegetarian options.

Greencore is represented on the Global Food Security Strategy Advisory Board for the UK.



SUSTAINABILITY REPORT 2018 CONTINUED

CUSTOMERS

FOOD SAFETY

Providing safe, authentic and excellent quality food is at the heart of what we do at Greencore.

In the UK, each of our manufacturing facilities is compliant with the Global Food Safety Initiative ('GFSI'). They are also certified to the BRC Global Standard for Food Safety, through its unannounced audit programme. Performance in these audits is a key metric for managing our food safety performance, and in FY18 we achieved AA* or A* grades in all of these audits.

Our UK technical team also conducts separate technical and compliance audits across all facilities as part of our governance programme. In the last year, the team carried out 20 hygiene audits and 34 audits against our technical standard. Additionally, over 32,300 routine audits were conducted by site teams across our UK facilities. In addition to BRC compliance audits, our UK facilities received 295 inspections from external organisations during the year, including customers and assured standards certification bodies.

From a training standpoint, we continue to deliver our graduate programme in the UK, recruiting recently qualified food science graduates. As part of our Trainee Manager programme, we also now offer the 'Food

Industry Technical Professional' degree apprenticeship. In addition, Greencore technical teams have access to our 'Technical Toolbox' training programme, offering continued professional development to technical experts across the business.

In the US, Greencore's facilities were GFSI compliant in all locations and were externally audited by the US Food and Drug Administration, the US Department of Agriculture and large customers on a regular basis. Over FY18, all facilities achieved either BRC AA grades or a Safe Quality Food ('SQF') score of >90%.

In FY18, we further integrated systems in the US and completed additional training, site and supply chain work to ensure compliance with the Food Safety Modernisation Act. We also created a 'Sanitation Excellence Program' to standardise best practice in the delivery of sanitation across the business.

FOOD AUTHENTICITY AND INTEGRITY

Protecting food integrity and authenticity are important challenges for our industry and we work to reduce the vulnerability of our supply chains to this threat.

In the UK, Greencore played a leading role in establishing the Food Industry Intelligence Network ('Fiin') in 2015 with 20 other industry participants and we continue to co-Chair the Fiin governing board. The network has now

grown to over 30 members who share sanitised data on authenticity, helping to identify potentially vulnerable supply chains.

We monitor risks to raw materials both through a horizon-scanning process and a testing schedule implemented by our central technical team. These actions inform our purchasing strategy across ingredient categories and feed into vulnerability assessments for site Threat Assessment and Critical Control Point ('TACCP') plans. Training on TACCP is coordinated centrally for our UK facilities.

We have also expanded our UK raw materials team. This now includes four Subject Matter Experts ('SMEs') for key categories, as well as specialist technologists who support our team in ensuring the safety, integrity and authenticity of the raw materials in our products.

HEALTH AND NUTRITION

As a responsible food manufacturer, Greencore recognises the importance of producing healthy and nutritious foods and we seek to offer healthy options in each of the categories in which we operate.

Innovation in both our foods and packaging is at the heart of what we do and, in FY18, 35% of our products were new to market. In the UK, we began reformulating products to reduce salt content as far back as 2004 and we continue to align product ranges with nutrient and energy targets set by Public Health





SHAREHOLDERS

Greencore is committed to ensuring that our corporate governance arrangements are effective and continue to evolve with best practice. The Board of Directors is responsible for the governance of the Group. It is also responsible for leading, monitoring and controlling the Group, and for promoting its long-term success. More information on our corporate governance practices can be found in our Corporate Governance Report on pages 53 to 59.

The Group operates a transparent and responsible approach to the management of taxes. Since FY17, the Group publishes a Board-endorsed Group Tax Policy and Code of Conduct for each financial year. This policy provides further detail in relation to our approach to taxation and is available on our website.

In addition, Greencore is committed to ensuring active engagement with our shareholders. Our investor relations team holds meetings with institutional and major shareholders at certain times throughout the year as well as regular capital market engagements. All shareholder presentations, as well as announcements which have been submitted via the Regulatory News Service of the London Stock Exchange are also made available on our website. Further information on shareholder engagement is set out on pages 56 and 57.

England. During FY18, we have removed over 80 tonnes of sugar from sauces produced at our Selby facility. Where reformulation is challenging due to the nature of some of our raw materials, we look for other innovations. For example, we lead an 'Innovate UK'-funded project to reduce the fat and salt content of baked cheese products.

We are also responsive to health trends to ensure our products can be enjoyed by all consumers. It is especially important to provide choices for vulnerable groups and those with specific dietary needs. In support of this goal, we have a food to go facility in the UK dedicated to gluten-free products and have increased the availability of meat-free

options, with 23 vegan and 54 vegetarian products in our UK food to go ranges.

We also work with the wider industry on nutrition issues, and in the UK, we are represented in nutrition groups with the Institute of Grocery Distribution and Campden BRI.





GRENCORE GROUP PLC

No. 2 Northwood Avenue
Northwood Business Park
Santry, Dublin 9, DO9 X5N9

Tel: +353 (0) 1 605 1000