



Section 172(1) statement

Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole. In doing this, section 172 requires a director to have regard, amongst other matters, to the:

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

In discharging our section 172 duties we have regard to the factors set out above. We also have regard to other factors which we consider relevant to the decision being made. Those factors, for example, include the interests and views of our shareholders, other group companies, pension scheme members and other relevant stakeholders. We acknowledge that every decision we make will not necessarily result in a positive outcome for all of our stakeholders. By considering the Company's purpose, vision and values together with its strategic priorities and having a process in place for decision-making, we do, however, aim to make sure that our decisions are consistent and predictable.

As is normal for large, private companies, we delegate authority for day-to-day management of the Company to executives and then engage management in setting, approving and overseeing execution of the business strategy and related policies. Monitoring of this is conducted through regular business review meetings which are attended by a sub-set of the Board of Directors. Board meetings are held periodically, and activities reviewed through the consideration and discussion of information, which is sent in advance of each Board meeting and through presentations to the Board, and the consideration of the impact of the relevant decisions on stakeholders.

During 2023, the Board met 4 times and formally reviewed financial and operational performance and legal and regulatory compliance using standard reporting formats. The Board also reviews the Company's business strategy; key risks; stakeholder-related matters; diversity and inclusivity; health and safety; environmental, social and governance matters; and any new significant compliance and legal matters.

Happiness with every bite

Employee engagement

The Company has over 3,500 employees and the Board is committed to promoting a diverse and inclusive workplace, reflective of the communities in which it does business. We approach diversity in the broadest sense, recognising that successful businesses flourish through embracing diversity into their business strategy and developing talent at every level in the organisation.

There is close collaboration between employees and Directors during the Quarterly Business Review sessions and Directors are encouraged, and expected, to visit operations and to engage with the employees during these site visits, where permitted, several visits were undertaken during 2023.

During 2023, our Diversity and Inclusion programme has continued in furthering its commitment to fostering a vibrant, inclusive and diverse workforce with with "inspire" sessions held on women and equity, disability and also pladis sponsorship of the London Titans wheelchair basketball team. The #BeingMe UK employee led inclusion group came together to share a 3 part series of powerful "we are all human videos" showcasing individual stories. Other related initiatives and groups raised awareness and celebrated areas such as neurodiversity #BeingAble and race, ethnicity and cultural heritage #BeingUnited. The UK business continues to work with mental health charity, Mind, a charity it has partnered with for the past 5 years.

Employee resource groups

In the UK, six Employee Resource Groups were established to drive awareness on key topics such as Gender, Race and Ethnicity, and Disability.

The Board and Senior Management are responsible for ensuring that the Group's purpose, vision and values are effectively communicated to employees and that the Group's activities reflect the culture we wish to instil in employees and drive appropriate behaviours. Examples of how this is achieved include: formal and informal meetings, a mandatory code of conduct, a bi-annual pulse survey, town hall meetings, dedicated training sessions and our @Workplace internal social engagement platform.

Fostering business relationships

The Company's key stakeholders are its employees, customers, consumers, suppliers, shareholder, pension schemes and the local communities in which it operates. The views of and the impact of the Company's activities on those stakeholders are an important consideration for Directors when making relevant decisions. While there are cases where the board itself judges that it should engage directly with certain stakeholder groups or on certain issues, the size and spread of our stakeholders means that generally our stakeholder engagement best takes place at an operational level.

We bring the stakeholder voice into the boardroom through information provided by senior management and by direct engagement with stakeholders themselves, where appropriate.

Happiness with every bite

During Quarterly Business Reviews, which are attended by certain Directors, senior management provide feedback on matters including: the priorities of our customers in order to build strategic relationships with them; analysis of consumer feedback to help us establish our consumers views on our products as well as the ways in which they would like us to improve our offering; conferences and/or one-on-one meetings with our suppliers, pension trustees and investor banks and to improve our understanding of their requirements. We continue to be collaborative with all stakeholders, listening to feedback and being open to change. With the unprecedented increase in energy and raw material costs during FY 2023 consideration towards all of our stakeholders was key, particularly given the need to maintain appropriate pricing to recover our own costs whilst continuing to grow customer relationships and balancing the need to manage our suppliers, and investment in our own people and business.

The relevance of each stakeholder group may increase or decrease depending on the matter or issue in question, so the Board seeks to consider the needs and priorities of each stakeholder group during its discussions and as part of its decision making.

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